

# FEDERAL AID TO STATES FOR SCHOOL CONSTRUCTION

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## HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON EDUCATION AND LABOR

HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH CONGRESS

FIRST SESSION

ON

**Proposed Legislation for Federal Assistance to  
States for School-Construction Purposes**

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HEARINGS HELD IN WASHINGTON, D. C.  
FEBRUARY 21, 25, 26, 27, MARCH 1, 4, 5, AND 6, 1957

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**PART 2**

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# FEDERAL AID TO STATES FOR SCHOOL CONSTRUCTION

THURSDAY, FEBRUARY 21, 1957

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON GENERAL EDUCATION OF THE  
COMMITTEE ON EDUCATION AND LABOR,  
Washington, D. C.

The subcommittee met at 10 a. m., pursuant to recess, in room 429, Old House Office Building, Hon. Cleveland M. Bailey (chairman of the subcommittee) presiding.

Present: Representatives Bailey, Udall, Gwinn, Griffin, and Haskell.  
Also present: Representative Landrum.

Staff members present: Fred G. Hussey, chief clerk; John O. Graham, minority clerk; James M. Brewbaker, general counsel; Kennedy W. Ward, assistant general counsel; and Russell C. Derrickson, chief investigator.

Mr. BAILEY. The subcommittee will be in order. The clerk will please call the roll to ascertain if a quorum is present.

Mr. HUSSEY. Mr. Bailey?

Mr. BAILEY. Present.

Mr. HUSSEY. Mr. Kelley?

(No response.)

Mr. HUSSEY. Mr. Metcalf?

(No response.)

Mr. HUSSEY. Mr. Udall?

Mr. UDALL. Here.

Mr. HUSSEY. Mr. Gwinn?

(No response.)

Mr. HUSSEY. Mr. Frelinghuysen?

(No response.)

Mr. HUSSEY. Mr. Haskell?

Mr. HASKELL. Here.

Mr. BAILEY. The Chair understands that Mr. Gwinn is on his way, so please mark him present.

The committee has a considerable number of witnesses and we would like to deal with them and have their presentations as brief as possible. We will try to hold down the lengthy cross-questioning to give some people here who live out of the city an opportunity to be heard.

Our first witness this morning is our colleague, Congressman Scrivner, of Kansas, speaking in behalf of House Joint Resolution 159.

You may proceed.

# STATEMENT OF ERRETT P. SCRIVNER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF KANSAS

Mr. SCRIVNER. Thank you, Mr. Chairman.

Of course this is a little out of character, being a witness before the committee. I feel much more comfortable on the other side of the table.

Mr. BAILEY. If the witness will permit the Chair an interruption, when you finish presenting your proposal just move up here and occupy one of the committee chairs.

Mr. SCRIVNER. Thank you. However, I must go to the Appropriations Committee when I finish here.

The proposal I have made is a simple direct method of helping the States help themselves and solve their own education problems whether it is schools, equipment, teachers' salaries, or whatever it may be. It is a proposal to help the States solve those problems in their own way without any Federal control, intervention, supervision, regulation, or interference of any kind simply by leaving the taxes earned in each State in that State instead of siphoning this money to Washington, D. C., and redistributing it along with the controls.

The aid to education program which I have suggested is embodied in House Joint Resolution 159, which has been presented to each member of the subcommittee. This plan which has been sometimes referred to in recent weeks and years as the Scrivner plan merely provides that at the end of each quarter the Director of Internal Revenue of each State and Territory shall remit to the State and Territory treasurer a check for an amount equal to 1 percent of the personal and corporate Federal income taxes collected during that quarter, said sums to be used by such State and Territory for educational purposes only.

In order to get this before the Congress and the House it was necessary to prepare a series of bills. Using the resolution as a vehicle for the recital of the reasons for my proposal, I did introduce Joint Resolution 159. This is the third or fourth time such resolution has been introduced. The Parliamentarian held that the two bills, one for construction only and one for educational purposes generally calling for a direct remittance by the Director of Internal Revenue, had to go to the Ways and Means Committee because it related to taxes rather than education. In order to get the proposal before this committee a different approach had to be taken. According to the Parliamentarian, all this committee could do is to authorize an appropriation of the 1 percent. The two bills, H. R. 2886 and H. R. 2889 call for an authorization of an appropriation equal to 1 percent. One is for education generally, the other for school construction only.

Mr. BAILEY. Would the gentleman be kind enough to give us an approximation of what that amount would be?

Mr. SCRIVNER. It would be just about the same as the Kelley bill, a trifle more than \$600 million a year. If the Federal income goes up, there will be just that much more for each of the States.

Mr. BAILEY. Will you repeat again what your request is of this committee?

Mr. SCRIVNER. I am presenting before this committee for your consideration, although it has been referred to the Committee on Ways and Means, House Joint Resolution 159. In that I set out all of the reasons why this approach should be used, namely that the Federal

Government is siphoning off the greatest share of the wealth from the States; that is the reason why the States do not have the money to solve their own problem; that Uncle Sam has tapped all of the easy sources of taxes, income, beverage, cigarettes, liquor, all of those things that are an easy way to get money and leaving to the States some income tax, yes, but Uncle Sam has taken most of it. Increased sales tax, yes, but that tax is the one that hits everybody and especially the persons of low income; and some real property tax. That is all there is left for the States.

As an example, right now in my home State of Kansas the legislature meeting there is faced with the problem of raising \$20 million more in taxes just to meet the general expenses of State government, and they do not know where it is coming from.

As simple as my proposal has been, there is even a simpler solution to the whole thing, namely, that if we could enact legislation which would say, "In lieu of all Federal aid to education the personal and corporate income tax is hereby reduced 1 percent." That would be notice to the States and they could reach out and increase their income taxes 1 percent on both the individuals and the corporations and have the money right in their own State and Uncle Sam would not have to worry about it a bit.

Mr. BAILEY. Your second proposal would not be as easy as the one which would require the Federal Government to turn back to the States 1 percent of the tax.

Mr. SCRIVNER. Probably not because when it is done as I have suggested it goes back and is practically earmarked either for school construction or for educational purposes.

Now, some of the States say that school construction is not the greatest problem. The greatest problem that many of them have is new and modern equipment, it is raising money to pay the teachers enough to keep them instead of having them go to some other State, some other institution or perhaps to private industry. One of the big complaints today is the fact that teachers are not remunerated in accordance with the responsibility and perhaps the long years of training they have had to undertake.

My own view is that, despite many of the reports to the contrary, the States and local authorities are doing a good job of taking care of their educational problems and their school construction. My own view further is that, if it were not for the fact that the Federal Government siphons off so much of the wealth from each of the States, that these States themselves would do even a better job than they are now doing. Simply, what I have proposed is that it merely leaves in the States where the income is earned and the taxes are paid—that money in the States for States to solve their own problems. It is entirely in keeping with the very fundamental philosophy of this Government of 48 sovereign States. The reason the communities feel that they have to come here is because we have taken away so much wealth from the States that Uncle Sam seems to be about the only place to which they can turn. This plan I suggest would be merely leaving the tax money there and letting them solve their own problems.

Mr. BAILEY. You would want, however, to earmark it for construction.

Mr. SCRIVNER. My own preference would be educational purposes because construction is not the only problem we face. In come com-

munities the construction problem is pretty well solved. In others it is not. In some localities it is a matter of getting new and modern equipment which they cannot now do. In others it is a matter of meeting the demand for teachers' salaries to hold the teachers and get the type of teachers they would like to have. My proposal is simple, and under it there could not be, and, in fact, there should not be any Federal controls, rules, or regulations. The States would solve their own problems under laws enacted by their own State legislatures.

If I can depart just a minute and make a personal reference: when I was about 9 years old a neighbor of ours offered me a little black water spaniel. I wanted the dog mighty bad. It was just what I wanted, just as the States want help. So I asked my dad about it and he said, "Yes, you may have the dog but you are going to have to take care of it." Well, that was all right. I went down and got the dog and was pretty proud. Three days later when I came home the dog was in bad shape—bleeding, biting itself, and scratching. I thought it was having fits. I called my dad, and he looked at me and looked down at the dog. He turned some of the heavy hair back and smiled and said, "Well, son, nothing serious. It isn't fatal. All that is the matter is just a lot of fleas. You are going to have to give the dog a bath and creosote dip."

I complained about it, and he said this, which I have never forgotten: "Just remember one thing, son: That the fleas always come along with the dog."

That is just exactly what you have when you have direct Federal dollars going out. You have the Federal controls going right along with them. That was true in every program we have had. It is true in vocational education which was supposed to be without Federal controls, and now you have a whole book of Federal rules and regulations telling the States what shall or shall not be done in vocational education. The same is true in hospital construction, in school construction, everything that goes out. In social welfare they tell you the type of the workers, the education he must have, and direct everything, and, unless some simple, direct method such as I have suggested is enacted, you are going to have Federal control of education, and that is what everybody says absolutely they do not want.

Mr. GWINN. Mr. Chairman.

Would you recommend that this cliché that we hear repeated everywhere, "Federal aid without control," be changed to "Federal aid without Federal fleas"?

Mr. SCRIVNER. Well, if you have ever had fleas you know they are mighty annoying.

Mr. GWINN. Especially Federal ones?

Mr. SCRIVNER. Any kind. Now, there has been a question raised, Mr. Chairman, as to whether or not 1 percent could be directly given to the States. I would point out that in the Organic Act of 1947 which related to the Organic Act of Guam, that 100 percent of the Federal income tax stays in Guam for the Guamanian Government purposes. If you can keep 100 percent of the Federal income tax in Guam, you ought to be able to keep 1 percent in the 48 States and in the Territories. To me it is just that simple.

Mr. BAILEY. Have you inquired and had a ruling from the Attorney General's Office?



Mr. SCRIVNER. No, sir. Quite frankly, I have not, Mr. Chairman. I have talked to some of the folks that handle Treasury matters. Whenever you do you can always find a thousand reasons why something cannot be done and seldom find one reason why it can.

We are talking about controls. As much as I could, in the limited time I have had, inasmuch as our Military Appropriations Subcommittee has been meeting ever since the first of January, I have studied both H. R. 1 and the administration bill and, even though we say we want no Federal control of Federal aid, right in those two bills themselves are literally dozens of Federal controls. They set out what the general mechanics must be, what the State agency must and can do, what the Commissioner must and can do, and when you analyze what the Commissioner can do in some of these bills he is almost a czar. He can cut off funds. He can do a lot of things in here unless there is submission by the States agreeing to their edicts.

In connection with that I should point out that in nearly every State right now the State legislatures are now in session. In many of them, for instance in my own home State of Kansas, the day for filing bills is past. They are about ready to wind up and hope to get out by the middle of March. They have no way of telling what kind of legislation would be necessary because they do not know yet what kind of a bill Congress is going to pass. That means for the most part most of these States will not have an opportunity to enact new legislation to set up these State authorities which both these bills require, set up and provide for the funds and employees and everything else to take advantage of this bill not to mention the fact that, to comply with either bill, they have no way right now of providing the matching funds. If these States are as hard up as they say they are now so that they cannot meet their general expenses, how are they going to raise the money necessary to meet the matching funds?

If you look down through a table that is before you and which I will insert, you will find that some of the so-called poorer States are going to have to raise millions upon millions of dollars to match. Some will raise one-third. Some will have to raise as much as two-thirds. Alabama, which is right at the top of the list so that you can see it, is just one of those States which is going to have to raise under the administration bill \$13 million to match the \$13 million grant. In addition to that, they are going to have to raise their regular pro rata share of the money to meet the primary cost. That is another \$3 million so that they have to raise \$16 million in taxes. If they cannot raise enough to improve their schools now, how are they going to raise \$16 million?

Mr. GWINN. Mr. Chairman.

Our colleague spoke of the legislatures adjourning. Some of them are past the point where they can introduce any new legislation. Do you know how many of the States meet only ever 2 years?

Mr. SCRIVNER. The great majority of them meet every 2 years.

Mr. GWINN. Forty-five meet only every 2 years so that in 45 of the States where they are meeting this year they will not meet again until 1959.

Mr. SCRIVNER. That is right. Now, to get the impact of H. R. 1, let us take the State of New York. The residents of the State of New York have to pay \$112 million to meet their pro rata share of the

\$600 million under the Kelley bill. They have to raise another \$40 million to match the Federal grant. That means that the taxpayers of the State of New York are going to have to raise \$161 million for education. Now, they will get back from Uncle Sam \$49 million. If it comes under some of these bills it will be \$49 million with Federal controls that will control not only the Federal but the State's funds that are spent for education. It means that New York is out \$112 million. To get \$49 million they must tax themselves \$161 million.

Mr. BAILEY. What bill are you analyzing?

Mr. SCRIVNER. H. R. 1.

Mr. BAILEY. I thought we were matching more than 50 percent.

Mr. SCRIVNER. But they have to raise as much as Uncle Sam gives them in addition to their proportion of the taxes to pay for the first \$600 million. As you sit down and study it and see what is going to happen to these States, it is really quite amazing.

Mr. BAILEY. It would even be rougher on the State of New York under the administration bill; would it not?

Mr. SCRIVNER. Yes. Of course, that is only about \$325 million so that the first take that Uncle Sam gets would be \$60 million. Then they are one of the wealthier States so that they would only be matched one-third instead of two-thirds so that they have to match twice as much. The Federal contribution would be \$15 million. They would have to raise \$31 million in addition to their \$60 million. They would have to raise \$91 million and get back \$15 million. They would be short \$76 million.

As compared to that, the 1 percent would return to the State of New York, for either school construction or preferably for educational purposes, \$126 million and they are having trouble with their schools even though they are one of the so-called bigger and wealthier States.

Mr. GWINN. Mr. Chairman.

Do you remember whether we have ever before had a witness speak as this witness has for the State of New York?

Mr. BAILEY. I cannot recall. I did not know that New York needed any assistance.

Mr. SCRIVNER. Let me talk about my own State.

Mr. GWINN. Just one moment, if the witness please. Suppose New York State does not qualify under this Federal measurement about needy districts. Suppose that New York State does not come up with a single needy district. Then she pays through the nose and gets nothing back.

Mr. SCRIVNER. That is right. Now, that is another Federal control because somebody in the Federal Government is going to decide whether New York is needy or not.

Mr. GWINN. Exactly.

Mr. SCRIVNER. Somebody in the Federal Government is going to decide whether the States are doing what they should in the matter of school construction or not.

Mr. BAILEY. The gentleman must acknowledge that neither the Kelley bill, H. R. 1, nor the administration bill, is compulsory. It is elective.

Mr. SCRIVNER. But at the same time, although they may elect not to come under either the Kelley bill or the administration bill, they cannot elect not to pay their share of the Federal tax to finance it for the other States; can they?

Mr. BAILEY. Not very well.

Mr. SCRIVNER. So that they have to pay whether they take advantage of it or not.

Mr. BAILEY. Now, proceed with your regular presentation.

Mr. SCRIVNER. In summary, I would like to point out that, as I view both these bills, they would merely establish another bureaucratic arm of the Department of Health, Education, and Welfare. I do not know how many employees would be required but, if it goes the way of all the other programs, it would be quite a few hundred or thousand employees required to administer this thing, to go into the States and see whether the State agencies were doing what they were told to do, whether the local communities were progressing, whether they have a constructive program or are working as fast and proceeding as rapidly as somebody thinks they should.

All of those things, of course, cost a great deal of money. You cannot even count the number of reports that would have to be made by the local school agency to the State and by the State to the Federal Government, and then the mandates that would come back from the Federal Government through the State to the local school board. It is one of those things that could become one of the biggest bureaucracies in all of Washington. Not only that but under either of these acts it gives the Federal Commissioner amazing power, if you will just study it, and we know from our own experience in legislation that where the agency is given the right to issue regulations the Supreme Court has said that regulations have the force and effect of law. Therefore, not this committee but the Commissioner's Office would be writing the laws that would be regulating the schools of the Nation.

I think that somewhere I have read that Mr. Folsom has said in so many words that, if Federal funds go out, of course there are going to be Federal controls. That is exactly what everybody to whom I have talked has said he does not want any part of. That is Federal control of education. They do not want Uncle Sam sitting on the school board of every town, village, city, and State in the Union.

Not only that, but it is going to be slow. We saw what happened on this lease-purchase program. The redtape took 3 years and only 1 building is started up to now. I do not know how many years it would take to get schools started under either of these bills but, under the proposal I have made, if enacted, that could go into effect right now under your present existing State educational authorities, and you would not wait 2 or 3 or 5 years.

Finally, neither bill would be temporary. The most permanent Federal activities started as temporary measures.

I have taken more time, Mr. Chairman, than I intended.

Mr. BAILEY. We appreciate your frankness.

Mr. Udall, do you have any questions? If you have I will have to limit them to 1 minute. We have to hear these other witnesses.

Mr. UDALL. Naturally we respect very much the sincerity of our colleague in his proposal. I am puzzled about one thing. You feel that the States and local communities are doing an adequate job and are able to handle the problem at the present time?

Mr. SCRIVNER. They are doing as adequate a job as their present finances will permit. In my own hometown the biggest half, and I will say more than half, of our tax bill is going to schools.

Mr. UDALL. I was wondering whether you actually feel that your legislation is needed or whether you feel that the States should be left on their own.

Mr. SCRIVNER. What I am trying to do is to leave the States on their own and leave the money there for them to go on their own.

Mr. UDALL. Let me ask one or two other questions.

Does your State have a program whereby the State government contributes money to the building of school classrooms?

Mr. SCRIVNER. Yes; they have been contributing to the various school programs. Primarily the education problem is right in the school board of the city or district, but the State does contribute State funds to certain school areas.

Mr. BAILEY. The Chair would like to observe that that has only been within the last 3 or 4 years. Kansas was one of the few States 6 years ago that did not contribute anything.

Mr. SCRIVNER. As a matter of fact, I think somebody said we were one of the backward States.

Mr. BAILEY. I did not get around to describing it as backward but just a little delinquent.

Mr. SCRIVNER. Right now, as I said, over half of our tax dollars in my home town are going to education.

Mr. BAILEY. The burden is heavy locally.

Mr. SCRIVNER. Our tax rate in my home city of Kansas City, Kans., is now \$9.80 a hundred with only a \$200 exemption.

Mr. BAILEY. That is entirely too high. I think you need some Federal aid.

Mr. SCRIVNER. Just leave our money where we can use it ourselves and we will get along without Federal aid.

Mr. BAILEY. Pardon me, Mr. Udall.

Mr. UDALL. You have certainly presented here today what I think is a central problem in our whole governmental relationships of the State and Federal Government. Frankly, the thing that bothers some of us about this whole problem is that so many of the people that will come here to this committee and will complain about high Federal taxation and the Federal programs and talk about States rights—I expect any person who believes in States rights also believes in having the States assume responsibilities the way our colleague from the State of Georgia has done—they will come here and fight a Federal aid program but, if a bill is introduced in the State legislature to set up a State school authority to build schools, they will fight it to the bloody end, and the result is that in practically all of the States the States themselves are doing nothing to build schools and the burden of building school classrooms is left on the little local school districts. That is true in a great majority of the States.

Mr. SCRIVNER. That is where it has historically been. Education is a local problem. It is local within your own county. It is within your own school districts. In my view that is where it is. Of course, income tax for the most part is a State tax. Sales tax is a State tax. So from some of these they redistribute some of the sales tax back to the communities for certain purposes.

Mr. UDALL. Would you agree with me that, schools and education being a State problem, it is entirely appropriate to use the tax base of the whole State to build schools.

Mr. SCRIVNER. I do not go quite as far as you do. I think primarily it is local.

Mr. UDALL. It is my own feeling that what has gotten us into this crisis that we have talked about is that we have left the little local communities there and in many areas they cannot handle the job. I agree with you to this extent. I think that if all the States had done what the State of Georgia has done, for example, we probably could say with good conscience today that the States are going to handle this job. Let them go ahead.

Secretary Folsom expressed the opinion here a few days ago, and I agreed with him completely, that if there is one thing we can accomplish out of this Federal aid program, whether it lasts for 4 or 6 or 8 years, it is that it will activate the States at the State level and get them to make a substantial contribution toward building of school facilities and classrooms and that maybe then we will have a fiscal situation where we can handle the problem. We have wrestled with this, and appreciate your comments.

Mr. SCRIVNER. That is pretty much the fundamental point of my presentation, to leave the money there so that the local district can do that.

Mr. UDALL. We are not tax experts. We leave that to the tax experts, the people in Treasury and Budget who say that this would create a fiscal chaos that everybody would rush in for 1 or 2 percent and the Federal Government would find itself in an impossible situation. What is your answer to that?

Mr. SCRIVNER. If the States are going to take over the responsibilities which they should, it would be a good solution to leave the money in these States and let them solve the problem. There are just as many brains in the States as back here because everybody here comes from one of the States anyway.

Mr. UDALL. That is all I have.

Mr. BAILEY. Mr. Haskell?

Mr. HASKELL. I have one question. It has been testified to here that the educational level is related to the economic prosperity of a particular area; in other words, the higher the level of the education of the person, the higher the economic level in general. I wonder if you feel this to be true?

Mr. SCRIVNER. I could not subscribe to that for this reason, with again a personal reference. I never lived in any wealthy community. All the small towns in which I lived were just small towns.

Mr. HASKELL. I think it was said in broad terms, the South versus the North.

Mr. SCRIVNER. I will put up the educational programs in those communities with any community in the State or country. It is not a matter of money. It is a matter of gray matter and application and determination.

Mr. HASKELL. Do you not feel then that the economic condition of a community is related to its level of education?

Mr. SCRIVNER. Perhaps it could be; in other words, if everybody in a community like some that I know in some of your so-called wealthier States can give their children more educational opportunities perhaps than some of us where so many of our folks work in factories and packinghouses; but you would be surprised at how many of these workingmen's children get their education and go to universities

and come out with high honors. It is not a matter of wealth. I can show you some of the poorest families in my district that have turned out children who are among the best educated and most brilliant men in our Nation today.

Mr. HASKELL. I am saying that, if the average grade graduation would be eighth grade in one area versus sixth grade in another, it has been testified to here by a number of witnesses, and I have not heard anybody disagree with it, that it is a good thing to raise the educational level and that it does help the economic well-being of the community.

Mr. SCRIVNER. There is no question about that.

Mr. HASKELL. Now, I asked this to lay a foundation for my second question.

We had testimony here the other day that the city of Birmingham, Ala., voted down a local bond issue, and we know that there is need for classrooms in that area. They would not assume the responsibility. Maybe it is because the tax money is not there. Maybe it is simply a nonacceptance of the responsibility by the local citizens. But the fact is that, in my opinion, where we have a lower level of education this is not only a costly thing to that area but it hurts other States which may be the wealthier States. Therefore, we cannot divorce ourselves as taxpayers in the wealthier States from being concerned with the problems in the States that are less able to accept their responsibility educationally.

Mr. SCRIVNER. Yes; but if you believe that this is a republic of 48 sovereign States, which is fundamental in this country, then whether the State of Alabama or the city of Birmingham wants to do this is a matter of local responsibility. I do not think that the Federal Government has any business to hold a club over them or offer a bait to entice them, because they are going to have to pay for this through their taxes. It is not any easier for me to pay my Federal income taxes than to pay my State income taxes.

As a matter of fact, I feel that being closer to the State capital than to Washington that the taxpayer can get a better return for his State tax dollar than for the Federal tax dollar, because he can watch what happens to it more easily.

Mr. HASKELL. I come from the highest per capita income State in the Union and we lose the money. I agree with you. I would like to see the money stay at home. However, we know that certain States are not meeting the responsibility, and therefore some of our children in the country are in trouble. Some people take the view that there is no Federal responsibility; let the thing work itself out. Others feel that there is a Federal responsibility. There is a difference of opinion.

Mr. SCRIVNER. Primarily the responsibility for education, is in the family; the parents. I could name names of many, sons of immigrants, sons of railroad men, shopmen, farmers, laborers. Ordinarily you would say they lack opportunity, yet the fathers and mothers have worked and saved and seen to it that their children got not only university education but professional education. Kansas City, Kans., is a manufacturing town, not a wealthy place.

Mr. HASKELL. I think that is wonderful, but there are communities that are not taking their responsibility.

Mr. SCRIVNER. They should.

Mr. HASKELL. I know they should.

Mr. SCRIVNER. I had to work my way through school.

Mr. BAILEY. Mr. Gwinn has one more question.

Mr. GWINN. Mr. Scrivner, you spoke with some conviction about Federal control. You gave it a new name. Now, what would you say about this situation we are in right here in this committee? There is no source of information that has been cited here on our schoolroom shortage except the allegations of a bureaucracy in the Federal Government. That bureaucracy in 1952 made a survey and came up with a signed formal document that there was not a single State in this Union under their measurement of capacity and their legislative situation in a position to produce necessary funds to meet the schoolroom shortage; the implication being without Federal aid. That bureaucracy provided the President and the Vice President of the United States with the only information they have on the so-called schoolroom shortage. What would you say as to whether or not that amounts to governmental monopoly of information and has a strong element of control in our thinking on this educational problem?

Mr. SCRIVNER. Well, there is no reason why there would have to be any monopoly on the information. This committee would certainly be empowered to have its own staff investigators, and dig up the facts themselves, and see whether that report is true or not.

Mr. BAILEY. If the Chair might be permitted to interrupt, if the gentleman keeps on talking I am going to conclude that he is exercising a monopoly.

Mr. SCRIVNER. This has been a new experience for me to sit on this side of the table. I appreciate the courtesy that all of you have shown. I appreciate the opportunity of coming in and presenting to you personally, for the first time since it was proposed, the program which I have suggested.

Mr. BAILEY. We appreciate your frankness.

(Pursuant to the direction of the chairman the following extension of remarks, and information relative thereto, are made a part of the printed record.)

Mr. SCRIVNER. For what they may be worth, based upon my own interpretation of the language, under permission to extend, there follows my analysis of the Kelley bill, really a \$1.2 billion bill, and the administration bill, each with tables following to show the tax impact of each, and some extraneous matters.

#### H. R. 1—A PROCEDURAL ANALYSIS

##### TITLE I—PAYMENTS TO STATE EDUCATIONAL AGENCIES

###### *Primary conditions of grants*

States must match Federal funds with State funds on a dollar-for-dollar basis.

###### *The general mechanics*

I. The State submits a State plan to the Federal Commissioner of Education.

II. The Commissioner of Education approves the State plan, providing it meets provisions of the proposed legislation.

III. Allotments are set aside for each State on the basis of \$16.28 per school-age pupil within the State.

IV. The Federal Commissioner of Education approves State projects, providing they meet provisions of the State plan.

The State must—

1. Submit a State plan providing that a State agency will be the sole agency for administering the State plan.

The State agency must—

1. Set forth standards and procedures for determining eligibility of local educational agencies.
2. Assure that funds paid to the State will be spent solely for school facilities construction projects which it approves.
3. Set forth principles for determining priority of projects.
4. Set forth principles assuring that first priority will go to local educational agencies which are unable to finance the full cost of needed school facilities solely because of a lack of financial resources.
5. Assure that the priority principles will take into account—
  - (a) Financial resources of all local educational agencies in the State;
  - (b) Efforts made and being made to meet needs out of State and local funds;
  - (c) Urgency of needs for school facilities.
6. Provide for fiscal control and fund accounting procedures to report to the Federal Commissioner.
7. Give each local educational agency applying for approval of a construction project a hearing before the State educational agency.
8. Provide for setting up standards on a State level for planning and building school facilities.
9. Report to the Commissioner in such form and with such information as is necessary for the Commissioner to perform his duties.
10. Assure that all laborers and mechanics of contractors and subcontractors working on federally assisted projects will be paid the wage rate set by the Secretary of Labor, as provided by the Davis-Bacon Act.

The Federal Commission of Education must—

1. Allot the fund to which the State is entitled on a basis of the number of school-age children in each State, ages 5 to 17, inclusive, multiplied by the allotment per child.

2. Approve a State plan which complies with all provisions of the proposed legislation.

3. State reasons for rejecting any State plan or any project proposed under any approved State plan.

4. Reject all plans wherein there is no guaranty or performance that provisions of the Davis-Bacon Act are being observed.

5. Seek repayment by the State of any Federal funds which he considers diverted from original purpose, or not used in conformance with provisions of the proposed legislation.

6. Demand repayment of all federally expended funds on projects which are abandoned or which have not been completed in a "reasonable period" as judged by him (the Federal Commissioner).

The Federal Commissioner of Education can—

1. Reject the State agency's principal plan or any projects for which the State agency seeks Federal funds, providing he cites reasons and stands ready to enter Federal court on the matter, should the State agency contest his decision.

Court action may be carried through the Supreme Court.



## Aid to education, H. R. 1 compared with H. R. 8889

State	State's Federal income tax contribution on \$500 million (amount of H. R. 1)	State's tax burden for matching	Total tax take per State (col. No. 1 plus col. No. 2)	Federal grant	Grant in relation to tax cost	Scrivner plan, 1 percent of Federal income and corporate tax
Alabama	\$3,258,000	\$12,452,850	\$16,710,850	\$18,482,850	-\$3,258,000	\$4,281,000
Arizona	1,862,000	8,806,630	8,195,630	8,806,630	-1,862,000	1,745,470
Arkansas	1,356,000	7,970,900	6,326,900	7,970,900	-1,356,000	1,083,670
California	45,720,000	41,318,700	67,038,700	41,318,700	-45,720,000	62,558,980
Colorado	5,382,000	5,416,980	10,798,980	5,416,980	-5,382,000	7,115,630
Connecticut	11,044,000	7,173,840	18,218,840	7,173,840	-11,044,000	11,411,780
Delaware	7,728,000	1,263,870	8,991,870	1,263,870	-7,728,000	7,908,580
Florida	5,802,000	11,435,850	17,237,850	11,435,850	-5,802,000	7,992,670
Georgia	6,012,000	15,356,300	21,368,300	15,356,300	-6,012,000	6,433,580
Idaho	918,000	2,537,680	3,455,680	2,537,680	-918,000	1,146,490
Illinois	49,368,000	30,370,880	79,738,880	30,370,880	-49,368,000	62,098,220
Indiana	13,732,000	15,339,900	29,071,900	15,339,900	-13,732,000	13,496,660
Iowa	4,530,000	9,680,180	14,160,180	9,680,180	-4,530,000	8,898,480
Kansas	4,314,000	7,128,000	11,436,000	7,128,000	-4,314,000	4,600,870
Kentucky	11,400,000	12,478,960	23,878,960	12,478,960	-11,400,000	4,822,370
Louisiana	4,644,000	12,135,300	16,779,300	12,135,300	-4,644,000	5,181,470
Maine	1,464,000	3,367,300	4,831,300	3,367,300	-1,464,000	1,668,000
Maryland	16,356,000	24,202,180	40,558,180	24,202,180	-16,356,000	15,410,140
Massachusetts	16,814,000	15,890,500	32,170,500	15,890,500	-16,814,000	17,703,000
Michigan	62,366,000	25,588,300	77,954,300	25,588,300	-62,366,000	53,784,970
Minnesota	9,086,000	11,549,700	20,645,700	11,549,700	-9,086,000	9,974,640
Mississippi	1,200,000	9,760,300	10,960,300	9,760,300	-1,200,000	1,538,920
Missouri	15,192,000	13,762,050	28,954,050	13,762,050	-15,192,000	15,548,000
Montana	1,002,000	2,391,200	3,393,200	2,391,200	-1,002,000	1,202,410
Nebraska	3,610,000	4,831,300	8,341,300	4,831,300	-3,610,000	3,432,840
Nevada	786,000	606,400	1,426,400	606,400	-786,000	840,490
New Hampshire	1,068,000	1,919,530	2,987,530	1,919,530	-1,068,000	1,392,180
New Jersey	17,664,000	17,015,500	34,679,500	17,015,500	-17,664,000	18,451,020
New Mexico	912,000	3,481,180	4,393,180	3,481,180	-912,000	1,187,860
New York	112,494,000	49,192,000	161,686,000	49,192,000	-112,494,000	186,126,430
North Carolina	13,236,000	13,268,580	31,505,580	13,268,580	-13,236,000	7,558,000
North Dakota	548,000	2,596,400	3,122,400	2,596,400	-548,000	662,140
Ohio	50,404,000	30,354,000	80,758,000	30,354,000	-50,404,000	41,647,690
Oklahoma	5,364,000	8,572,800	13,936,800	8,572,800	-5,364,000	5,578,610
Oregon	3,666,000	5,839,900	9,525,900	5,839,900	-3,666,000	6,694,210
Pennsylvania	45,672,000	37,658,600	83,330,600	37,658,600	-45,672,000	45,278,200
Rhode Island	2,644,000	2,667,800	5,311,800	2,667,800	-2,644,000	2,771,960
South Carolina	2,166,000	10,808,600	12,674,600	10,808,600	-2,166,000	5,522,330
South Dakota	612,000	2,596,400	3,198,400	2,596,400	-612,000	751,180
Tennessee	4,374,000	13,762,000	18,136,000	13,762,000	-4,374,000	5,181,210
Texas	18,720,000	32,973,600	51,693,600	32,973,600	-18,720,000	31,578,330
Utah	2,644,000	3,253,440	5,897,440	3,253,440	-2,644,000	1,563,010
Vermont	645,000	1,447,780	2,092,780	1,447,780	-645,000	655,780
Virginia	9,234,000	13,810,860	23,044,860	13,810,860	-9,234,000	7,887,070
Washington	7,104,000	8,966,770	16,070,770	8,966,770	-7,104,000	7,807,670
West Virginia	2,614,000	5,621,620	11,335,620	5,621,620	-2,614,000	2,919,180
Wisconsin	11,142,000	13,111,350	24,253,350	13,111,350	-11,142,000	11,531,180
Wyoming	1,486,000	1,171,280	2,657,280	1,171,280	-1,486,000	1,377,070
Hawaii	1,164,000	2,114,700	3,278,700	2,114,700	-1,164,000	1,914,660
Total (approximate)...	600,000,000	600,000,000	1,200,000,000	600,000,000	-600,000,000	629,000,000

<sup>1</sup> Figures for Maryland include those for the District of Columbia and Puerto Rico.

NOTE.—Income tax includes collections for old-age insurance. Actual benefits would be somewhat less than shown in the Scrivner plan after adjustment for that factor, an average of 7.2 percent.

Col. 1: The State's proportionate share of tax necessary to finance the Federal program of \$500 million based on historical Treasury figures.

Col. 2: Amount State must raise to match the grant.

Col. 3: Total of Federal and State taxes which must be raised by the taxpayers of each State.

Col. 4: The Federal grant.

Col. 5: The amount of State tax cost over the Federal grant.

Col. 6: Amount each State would receive based on 1 percent of the 1956 personal and corporate income taxes as reported by the Treasury Department.

## H. R. 8986—A PROCEDURAL ANALYSIS

## TITLE I—FEDERAL GRANT ASSISTANCE TO STATES FOR SCHOOL DISTRICTS NEEDING AID TO FINANCE URGENTLY NEEDED SCHOOL FACILITIES

## Primary condition of grants

State matching funds must be raised, in varying amounts, not to be less than 33½ percent nor greater than 66½ percent of the combined Federal-State grant.

*The general mechanics.* As stated in paragraph 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.

I. The State submits a State plan to the Federal Commissioner of Education.  
 II. The Federal Commissioner of Education approves the plan, providing the plan meets requirements of the proposed legislation.

III. Allotments, determined by various formulas, are set aside by the Federal Commissioner for each of the States.

IV. Federal assistance is to be given by the Federal Commissioner to States making application, if the States are in compliance with provisions of the proposed legislation.

The State agency must—

1. Be the sole agency for administering the State plan.  
 2. Submit a State plan setting forth standards and procedures for determining eligibility of local educational agencies.

3. Set forth standards for determining the order of priority for projects.

4. Assure that highest priority will go to those local agencies which have made effort relatively commensurate with their resources, but solely because of a lack of resources are unable to finance the full cost of construction.

5. Assure that, after highest priority, the order of priority will be based on relative need and relative urgency.

6. Provide a hearing for every applicant whose application for Federal funds is denied.

7. Provide for establishment of standards for planning and constructing school facilities on a State level.

8. Describe steps taken toward making full and efficient use of school facilities and State and local financial resources, including steps taken toward—

(a) Providing qualified personnel to establish sound State educational programs;

(b) Achieving economy in planning, construction, and financing of school facilities;

(c) Developing a long-range plan for attaining a more efficient organization of school districts;

(d) Modifying or removing restrictive debt and tax limits so that local tax sources may be used more extensively;

(e) Developing plans to aid school districts through State administration.

9. Provide for fiscal control and fund accounting procedures to assure proper disbursement of and accounting for Federal funds.

10. Report to the Federal Commissioner in such form and with much information as is necessary for the Federal Commissioner to perform his duties.

11. In requesting funds from the Federal Commissioner, provide an explanation of the individual project work to be done including—

(a) A description of the school facilities project;

(b) An estimate of the cost of construction;

(c) A statement of the Federal-State grant proposed;

(d) Certification that—

(1) The State agency has followed its plan of priority, etc., in determining eligibility of the local district for which Federal funds are

(2) State funds for the State's share of the cost will be available.

12. Use funds received solely on the project for which they were reserved by the Federal Commissioner.

13. Match with State funds the Federal funds.

14. Repay to the Treasury of the United States the amount of Federal funds expended on any project which the Federal Commissioner determines is not completed within a "reasonable period." If the amount is contested, the decision of the Federal district court within the State will stand.

15. Maintain its effort index in relation to the "national effort index," subject to being penalized by the percentage which it falls behind.

16. Assure that all construction will be done under provisions of the Davis-Bacon Act.

The Federal Commissioner must—

1. Approve a State plan which meets requirements of the proposed legislation.

2. Make no payments where it is determined that provisions of the Davis-Bacon Act as amended are not being observed.

3. Establish regulations setting forth various information, including what constitutes "a reasonable period" for the completion of any project.

4. Penalize by reducing the allotment for any State by the percentage by which said State's school effort index might fall behind the national school effort index.

## Aid to education, H. R. 3986 compared with H. R. 2889

State	State's Federal income tax contribution on \$325 million (amount of H. R. 3986)	State's tax burden for matching	Total tax take per State (col. No. 1 plus col. No. 2)	Federal grant	Grant in relation to tax cost	Scrivner plan, 1 percent of Federal income and corporate tax
Alabama.....	\$1,760,000	\$5,573,000	\$7,333,000	\$11,148,000	+\$3,815,000	\$4,281,000
Arizona.....	750,000	1,692,000	2,442,000	2,524,000	+82,000	1,745,470
Arkansas.....	735,000	3,310,000	4,045,000	5,620,000	+2,585,000	1,693,670
California.....	24,840,000	28,364,000	52,704,000	14,180,000	-48,524,000	62,558,990
Colorado.....	2,950,000	2,989,000	5,939,000	3,004,000	-2,930,000	7,115,630
Connecticut.....	5,970,000	4,023,000	9,993,000	2,011,000	-7,982,000	11,411,750
Delaware.....	4,170,000	762,000	4,932,000	381,000	-4,551,000	7,908,580
Florida.....	3,115,000	5,437,000	8,552,000	6,309,000	-2,243,000	7,992,670
Georgia.....	3,220,000	5,962,000	9,182,000	11,926,000	+2,744,000	6,433,580
Idaho.....	495,000	1,009,000	1,505,000	1,801,000	+296,000	1,146,480
Illinois.....	29,610,000	22,253,000	51,863,000	11,128,000	-40,735,000	82,029,220
Indiana.....	7,490,000	8,965,000	16,255,000	8,021,000	-8,234,000	13,406,090
Iowa.....	2,440,000	2,649,000	7,289,000	5,813,000	-1,476,000	5,398,480
Kansas.....	2,320,000	8,635,000	5,955,000	3,744,000	-2,211,000	4,600,870
Kentucky.....	6,160,000	4,458,000	10,618,000	8,917,000	-1,701,000	4,822,270
Louisiana.....	2,500,000	4,601,000	7,101,000	9,204,000	+2,103,000	5,131,470
Maine.....	790,000	1,811,000	2,101,000	1,932,000	-269,000	1,663,090
Maryland.....	18,840,000	12,417,000	21,257,000	13,380,000	-4,877,000	15,410,140
Massachusetts.....	8,820,000	10,779,000	19,599,000	4,782,000	-12,817,000	17,703,060
Michigan.....	27,820,000	16,233,000	44,113,000	12,102,000	-32,011,000	58,784,970
Minnesota.....	4,910,000	5,742,000	10,652,000	7,047,000	-2,605,000	9,974,640
Mississippi.....	647,000	3,885,000	4,532,000	7,772,000	+3,240,000	1,538,920
Missouri.....	8,200,000	6,424,000	14,624,000	5,885,000	-8,739,000	15,644,040
Montana.....	540,000	1,242,000	1,782,000	1,405,000	-377,000	1,202,410
Nebraska.....	1,880,000	2,493,000	4,353,000	2,856,000	-1,497,000	3,432,640
Nevada.....	392,000	406,000	798,000	203,000	-595,000	840,480
New Hampshire.....	544,000	632,000	1,176,000	1,074,000	-402,000	1,292,160
New Jersey.....	9,840,000	10,980,000	20,820,000	5,489,000	-15,331,000	18,841,020
New Mexico.....	492,000	1,821,000	1,813,000	2,643,000	+830,000	1,187,860
New York.....	60,050,000	31,535,000	91,585,000	15,765,000	-75,820,000	126,126,480
North Carolina.....	7,150,000	7,806,000	14,456,000	14,618,000	+162,000	7,558,000
North Dakota.....	268,000	1,006,000	1,301,000	2,018,000	+717,000	7,662,140
Ohio.....	27,010,000	16,332,000	43,342,000	11,221,000	-32,041,000	41,547,690
Oklahoma.....	2,890,000	3,498,000	6,388,000	5,098,000	-880,000	5,578,610
Oregon.....	1,950,000	3,368,000	5,318,000	3,099,000	-2,219,000	4,694,210
Pennsylvania.....	24,630,000	22,588,000	47,328,000	18,803,000	-28,525,000	46,278,200
Rhode Island.....	1,378,000	1,816,000	2,691,000	836,000	-1,855,000	2,771,960
South Carolina.....	1,170,000	4,263,000	5,433,000	8,727,000	+3,194,000	2,522,330
South Dakota.....	330,000	282,000	1,312,000	1,891,000	+579,000	751,180
Tennessee.....	2,360,000	5,071,000	7,431,000	10,144,000	+2,713,000	5,181,210
Texas.....	10,010,000	13,846,000	23,856,000	19,812,000	-4,044,000	21,578,330
Utah.....	1,370,000	1,287,000	2,657,000	2,317,000	-340,000	1,593,010
Vermont.....	350,000	597,000	947,000	1,007,000	+60,000	656,780
Virginia.....	4,980,000	6,018,000	10,998,000	9,275,000	-1,723,000	7,337,070
Washington.....	8,830,000	5,663,000	9,493,000	4,298,000	-5,195,000	7,807,570
West Virginia.....	1,355,000	2,349,000	4,704,000	6,669,000	+1,965,000	2,919,180
Wisconsin.....	6,025,000	7,153,000	13,178,000	7,365,000	-5,813,000	11,821,190
Wyoming.....	263,000	622,000	885,000	674,000	-211,000	527,070
Hawaii.....	417,000	1,171,000	1,588,000	1,171,000	-417,000	1,314,690
Total (approximate).....	\$26,000,000	\$26,000,000	760,000,000	\$26,000,000	.....	629,799,729

Figures for Maryland include those for the District of Columbia and Puerto Rico.

NOTE.—Income tax includes collections for old-age insurance. Actual benefits would be somewhat less than shown in the Scrivner plan after adjustment for that factor, an average of 7.2 percent.

Col. 1: The State's proportionate share of tax necessary to finance the Federal program of \$325,000,000 based on historical Treasury figures.

Col. 2: Minimum amount State must raise under the formula, as prepared by the staff of U. S. News & World Report, Feb. 8, 1957.

Col. 3: Total of Federal and State taxes which must be raised by the taxpayers of each State.

Col. 4: The Federal grant as computed under formula.

Col. 5: The amount of State tax cost over or under the Federal grant.

Col. 6: Amount each State would receive based on 1 percent of the 1956 personal and corporate income taxes as reported by the Treasury Department.

Mr. SCRIVNER. Mr. Chairman, the following is the language of House Joint Resolution 159 which embodies the principle of the Scrivner plan and the reasons for it:

Whereas the Government of the United States, through taxes, is siphoning a great part of the wealth of our Nation out of the several States and Territories into the Federal Treasury; and

Whereas the Government of the United States is collecting taxes from nearly all sources of revenue, including taxes on individual and corporate incomes, admissions, beverages, communications, gifts, luxuries, transportation, and from excises and other taxes, leaving to the States little but real and personal property and consumer sales as sources of tax revenue; and

Whereas at rates approaching confiscation of property, States are still not able to raise revenue sufficient to carry the rising costs of State and local governments, and especially not to meet the demands for needed improvements and higher salaries for the training of our youth; and

Whereas it has been proposed that the Federal Government grant aid to the States for educational purposes; and

Whereas it is neither economical nor efficient to withdraw huge sums out of the States and Territories and redistribute funds under bureaucratic regulation from the Federal Treasury; and

Whereas it is desirable that such aid be accomplished by a simple, easy, direct, and efficient method, not hampered with bureaucratic restrictions, directions, or dictation; Therefore be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled*, That 1 per centum of all income taxes collected on individual and corporate incomes under Federal statutes shall be deemed to be revenue for the State or Territory within which it is collected, for use, for educational purposes only, without any Federal direction, control, or interference.

Sec. 2. District directors of internal revenue are hereby authorized and directed to transfer to the treasurer, or corresponding official, of the State or Territory within which their respective internal revenue district are situated, at the end of each quarter, an amount equal to 1 per centum of the taxes from individual and corporate incomes collected within such State or Territory during said quarter.

Sec. 3. For purposes of information only, district directors of internal revenue shall report the amounts transferred to State treasurers, or corresponding officials, as authorized in section 2, to the Department of the Treasury, accompanying such report with receipts from the proper State officials verifying the amounts received by said State official.

Examples of editorial comment on the Scrivner plan are to be found in the Congressional Record issues of January 22, January 28, and February 11, 85th Congress, 1st session.

The reaction of some States to the need is well expressed by the following remarks of the Honorable Harold Handley, Governor of Indiana, speaking to the Indiana General Assembly. These are excerpts.

#### EDUCATION

The other perennial problem for every Indiana Legislature has been that of financing our public school system, which now includes the 2 State-supported teacher colleges and the 2 State universities and their numerous extension centers.

Education takes 54.6 percent of property taxes in Indiana today. The annual increase in total expenditures for schools has been about \$20 million since 1952. After data are adjusted to meet living-cost changes, we find that the per-pupil cost has risen 65 percent since 1940.

It is essential that we continue to keep Indiana in the forefront of education. We want enough classrooms to house our children, and we want adequately paid teachers to instruct them. The postwar baby boom caused serious strains on existing school facilities in many communities. I am proud to say, however, that we are meeting those demands in our own Hoosier way without any outside help and according to the decisions and wishes of our local communities.

The 1956 White House Conference on Education, which certainly was well attended by the advocates of a nationalized school system, estimated that Indiana must have 1,100 new classrooms each year. Other surveys estimate our total classroom needs—for replacement of antiquated structures as well as for increased enrollment—at 1,000 per year. Well, a total of 1,928 new classrooms went into service throughout Indiana last September. Before next September there will be at least 2,100 more. And in 1968 the number will be stepped up to 2,400, and even more if our various communities deem it necessary. Thus we

are providing these new classrooms twice as fast as the advocates of federalized education say we should be building them.

And we are doing this with our own money, if you please, in a magnificent manifestation of home rule. The present federalized education program calls for proposed Washington help for school buildings alone. At present their proposal would provide for only a small fraction of the total cost of American public school education, even though they want the States and the local communities to surrender their rights for such a pittance.

By our devoted attention to building enough new classrooms to care for our children and our concerted recruiting of new teachers to instruct them, we Hoosiers have completely refuted the well-financed and highly organized pressure campaign of misinformation and propaganda intended to kill home rule and to establish a nationalized school system.

According to a lifelong student of governmental centralization, Senator Harry Byrd of Virginia, "any contribution by the Federal Government to our public schools will result in Washington telling us how to run them and what textbooks to use. Grants to the States always lead to paternalistic government."

It would be nothing short of a national calamity to permit our free public school system to become dependent on Federal aid. The best safeguard against this threat is to continue local control of our public education on the basis of our traditional Hoosier home rule.

Indiana has become the leader in awakening nationwide resistance to the program of gathering under one single governing authority our schools, our public welfare administration, and other key units of American civilization. Extremists know they can never capture America unless it is by concentrating all functions under one central authority and then seizing it. The people of Indiana, regardless of political party affiliation, have repeatedly endorsed this home-rule fight, and I assure you that I will continue it as vigorously in the office of governor as I did when I was a member of the legislature and then the presiding officer of the senate.

Mr. BAILEY. Our next witness is William Adams, representing the Investment Bankers Association. We are hopeful that we can get some information on title 2 of this legislation involving a fund out of which we will make loans to school districts.

You may further identify yourself, Mr. Adams, and proceed with your testimony, please. You might identify your associates, if you will.

**STATEMENTS OF WILLIAM M. ADAMS, CHAIRMAN, MUNICIPAL SECURITIES COMMITTEE, INVESTMENT BANKERS ASSOCIATION OF AMERICA; FRANK MORRIS, RESEARCH DIRECTOR, INVESTMENT BANKERS ASSOCIATION; AND GORDON CALVERT, MUNICIPAL DIRECTOR, INVESTMENT BANKERS ASSOCIATION**

Mr. ADAMS. Thank you, Mr. Chairman.

My name is William M. Adams. I am president of Braun, Bosworth & Co., an investment banking firm which underwrites and deals in bonds of States, municipalities, and other public agencies. The principal office of our firm is in Toledo, Ohio, but I am in the Detroit office and we have branch offices in other cities. I am testifying today as chairman of the municipal securities committee of the Investment Bankers Association of America.

On my left is Mr. Frank Morris, research director of the Investment Bankers Association, and on my right is Mr. Gordon Calvert, municipal director of the Investment Bankers Association.

The Investment Bankers Association is a voluntary unincorporated trade association of investment banking firms and security dealers

who underwrite and deal in all types of securities. It was organized in 1912 and has operated continuously since that time. Our association has over 800 member firms in the United States and Canada, including about 100 commercial banks, and our members have, in addition to their main offices, over 1,300 registered branch offices. We thus have members with either main or branch offices in practically all parts of the country. These firms in the aggregate do a large percentage of the underwriting, distribution, and trading of bonds issued by States, municipalities, school districts, and other public agencies to finance construction of schools.

It appears that the three principal questions to be considered with respect to proposals to provide Federal aid to education are:

- (1) The extent of the need for additional classrooms.
- (2) The capacity of the States and local educational agencies to provide the needed classrooms.
- (3) If it is determined that a program of Federal aid to education is necessary, the type of Federal aid which would be most effective in providing the needed classrooms.

Accordingly, we propose to discuss each of those three questions briefly and to provide some factual material which we hope will be helpful to the committee in reaching a decision.

#### (1) THE EXTENT OF THE NEED FOR ADDITIONAL CLASSROOMS

Statistics compiled by the Department of Health, Education, and Welfare with respect to enrollment and needed classrooms in the fall of 1956, based on a questionnaire sent to State school officials, appear to be the most current and reliable statistics available. A general evaluation of those statistics is essential to a fair appraisal of the need for additional classrooms. With respect to the estimated 80,000 classrooms needed as of the fall of 1956 to accommodate excess enrollment, the estimates in each State were made with the assumption that Federal aid might be granted on the basis of the reported need for additional classrooms and these estimates are probably inflated in some cases above actual need.

Just as a matter of curiosity I went to my local school officials and said, "I presume you answered a questionnaire from your State superintendent." They did. I said, "When you answered that and stated the number of classrooms needed for excess enrollment, on what did you base that?" Knowing the schools and having a few children in school myself, I know the classrooms. He said:

There are four of the buildings built in the late twenties, each of which being elementary schools had a library in it. We have never used those for libraries because we needed them for classrooms. One we split in two. The other three we have used as individual classrooms.

My children have gone there and had classes in those rooms. He said:

We turned in the need for five schoolrooms.

He said—

We will never, of course, provide those schoolrooms. We do not contemplate doing so and we will continue to use those rooms.

Well, five may seem like a very small number but, when you multiply this by the number of school districts in the United States you can come

up with quite a few classrooms needed, but I assure you from my knowledge of the situation and the statement of these officials, that they never even to provide those classrooms.

With respect to the 79,000 classrooms estimated to be needed to replace "unsatisfactory facilities," it is our understanding that classrooms have been reported as "unsatisfactory" in some States even though the facilities are in accordance with local classroom standards and in other States classrooms are automatically classified as "unsatisfactory" after they have been in use a specified period of years even though the classrooms are actually satisfactory.

The statistics reveal that the 1,086,766 classrooms for elementary and secondary schools available in the fall of 1956 for the 31,527,695 students enrolled at that time provided on a nationwide basis a classroom for every 29 students. On a State basis, in only six States—Alabama, Arkansas, Arizona, Georgia, Maryland and North Dakota—was the ratio of enrolled pupils to available classrooms in the fall of 1956 higher than 32 to 1. Thus, it appears that the need for new classrooms is created principally by: (1) The shift of population into areas without adequate classroom facilities; and (2) the replacement of unsatisfactory facilities.

Figures on "double sessions" and overcrowded classrooms may present a distorted picture unless it is noted that: (a) No actual overcrowding is caused by using a classroom for double sessions for kindergarten classes which meet only for a half day; and (b) In some cases classes are overcrowded, although vacant classrooms are available, to minimize operating costs.

Where do we stand in meeting the need for additional classrooms? In considering the estimates of needed classrooms by State officials, as compiled by the Department of Health, Education, and Welfare, we suggest that primary consideration be given to the classrooms to accommodate excess enrollment because estimates of classrooms needed to replace facilities "unsatisfactory" by Federal or State standards include many classrooms that are satisfactory enough by local standards that the local school districts are not attempting to replace them. The statistics indicate that 80,000 additional classrooms were needed as of the fall of 1956 to accommodate excess enrollment and that, as of that date, 69,200 classrooms were scheduled for completion during the school year.

Mr. BAILEY. Let me interrupt you. Do you think that that statement will be borne out?

Mr. ADAMS. In scheduling classrooms for completion I understand it to mean that the contracts have been let and the financing has been provided.

Mr. BAILEY. You understand wrongly. The program for last year, 1956, was 69,000 and they got 62,000 or 63,000. You know as an investment banker the tight money situation right now. You know that \$191 million of this type of bonds was held up in the last 60 days and not offered in the market because of the high interest rate. You know that there will not be anywhere near 69,000 school classrooms constructed under the high interest rates, so just do not kid the committee about it.

Mr. ADAMS. May I proceed, sir?

Mr. BAILEY. You may proceed.

Mr. GWINN. Mr. Chairman.

Mr. BAILEY. Yes, sir. The gentleman from New York.

Mr. GWINN. The gentleman is obviously a student of the situation. It is equally obvious that some of his testimony is contrary to the chairman's notion of things. I object to characterizing a witness as one attempting to kid the committee in the first 5 or 6 minutes of his testimony.

Mr. BAILEY. I have no intention of withdrawing my remarks but I will say in explanation that the gentleman, being an investment banker, knows that the program that has been carried on by the districts throughout the country over the last 3 or 4 years cannot be carried on. As proof of that, let me point out to you that in the 1955 program less than 5 percent of the construction work was carried on at an interest rate in excess of 3 percent. In the 1956 program over 40 percent of the construction was carried on at an interest rate in excess of 3 percent and it is estimated that as much as 60 percent of the program this year will be at an interest rate in excess of 3 percent. Now, they just will not vote bonds and they just will not keep up the \$5,000 that we had in 1955 and the \$3,000 that we had in 1956. That is the point I am making.

Mr. ADAMS. I have some figures along that line that I would like to present.

Mr. BAILEY. I will appreciate your going ahead with them but really we expected the major part of your presentation to give the committee some information on title 2 of the legislation. However, since you are approaching it from the overall picture, just go ahead with your testimony.

Mr. GWINN. Mr. Chairman.

I trust the gentleman who is a citizen and a parent of children in the school system of Toledo, will not be diverted from giving us his information which he has generally. Indeed, I expected the witness who is a bond salesman to be looking for business and maybe to join in the exaggeration of the need for bond issues in the school districts. I think the gentleman who is testifying against his own interests somewhat is entitled to unusually high rating in credibility.

Mr. BAILEY. The gentleman will please proceed.

Mr. ADAMS. In the 4 months since the date of the estimates, October 1, 1956, there have been 880 issues of school bonds aggregating \$684,606,000 to finance construction of additional elementary and secondary schools. In estimating the additional classrooms provided by this financing there are two factors to be considered:

First, Construction Review, published by the United States Department of Commerce and the United States Department of Labor, in a study of expenditures for school construction in the period 1947-54 found that 71 percent of the total expenditure was financed by borrowing, and that the other 29 percent came from other sources, principally current income and cash balances. Therefore, the total amount expended for school construction is actually on the average about 30 percent from sources other than the bond issue to finance such construction. Thus, about \$978 million in additional elementary and secondary school construction has been provided by the \$684,606,000 of bond financing from October 1, 1956, through January 31, 1957.

Secondly, in translating dollar amounts spent for school construction into classrooms, we use a figure of \$30,000 per classroom. In



checking classroom costs for elementary and secondary schools in various parts of the country, we have found that classroom costs—including a proportionate part of the cost for additional facilities, such as cafeterias, auditoriums and gymnasiums—ordinarily run more than \$30,000 per classroom for new secondary schools, less than \$30,000 for new elementary schools and substantially less than \$30,000 for both secondary and elementary school additions, and that \$30,000 per classroom is a fair and realistic basis for estimates. The \$978 million of school construction resulting from the \$684,606,000 of school bond financing during the past 4 months provides an approximately 32,600 classrooms in addition to the 69,200 classrooms scheduled for completion as of October 1, 1956.

**Mr. GWINN.** Can you estimate the total on that basis for the whole year?

**Mr. ADAMS.** I have a figure that I am arriving at a little later in the statement, if I may, sir.

At this point, we would emphasize that the actual financing during the past 4 months demonstrates indisputably that State and local school agencies have been able to finance school construction at prevailing interest rates during that period—about which we subsequently will comment further—and also demonstrates the lack of foundation for statements submitted to this subcommittee that financing of school construction is slowing down.

**Mr. BAILEY.** Let the Chair interrupt at that point. You say that these have been voted within the last 4 months, is that right?

**Mr. ADAMS.** No, sir, they have been sold within the last 4 months.

**Mr. BAILEY.** And they have no part in the 1956 program. The 1956 program is concluded now and resulted in about 63,000 classrooms. These bonds authorized within the last 4 months would have to be in the 1957 program so that, when you add the number of classrooms that this new financing would bring about, when you add that onto the 63,000 that were actually constructed in 1956, you are getting a distorted picture because these are coming within the 1957 program. We are already in the 1956-57 year.

**Mr. ADAMS.** The figure that we have used is schoolrooms expected to be completed within the 1956-57 school year.

**Mr. BAILEY.** Before July 1 of this year?

**Mr. ADAMS.** That is correct. The others have all been sold and we are figuring the total figure on the basis of the sales of bonds voted since that time.

**Mr. BAILEY.** Will the gentleman provide the committee with information as to how much of the \$684 million authorized have actually been sold?

**Mr. ADAMS.** I am coming to that in the report, if I may?

**Mr. BAILEY.** Go ahead.

**Mr. ADAMS.** \$684 million of school bonds I have stated have been sold in the past 4 months. Does that answer your question?

**Mr. BAILEY.** Will the gentleman explain the statement in the newspapers in the last week to the effect that \$191 million of that financing was deliberately held back and not put on the market?

**Mr. ADAMS.** I am covering that part of the report a little later, if I may.

**Mr. BAILEY.** Yes, sir.

Mr. MORRIS. Could I speak to that, please? We are the source of the information of which you speak. The \$191 million in postponements during the fourth quarter included all State and local government bonds, not only school bonds.

Mr. BAILEY. You will acknowledge that the majority of those are school bonds?

Mr. MORRIS. No, sir. Only a very small part are school bonds. We have figures on school bonds.

Mr. ADAMS. Of that amount, may I say, that 52 million were State of Michigan highway bonds.

Mr. BAILEY. You cannot very well call those municipal if they are State bonds.

Mr. ADAMS. Well, that is included in State and municipal figures that we are using, sir. We combine the two. Of that amount \$52 million were State of Michigan highway bonds, and another large block were State of Connecticut highway bonds. There were \$75 million in State of Connecticut highway bonds which were not sold. It is interesting to point out in that connection that the State of Michigan when they offered these bonds had established a maximum rate some months previously of  $3\frac{1}{2}$  percent. The bonds were offered December 4 or 5 and no bids were forthcoming at that time on \$52 million worth of bonds. They needed the funds badly. Immediately they got action to raise the rate to 4 percent and readvertised the bonds in January and it just goes to show that we do not know all the answers, but in January they were able to sell \$27 million of those bonds at a 3.36 interest cost so that, by having unfortunately set a low rate and being unable to sell them in December, they were able to save 0.14 in interest costs in January.

Mr. BAILEY. The gentleman is telling us then that the tight money situation is easing up?

Mr. ADAMS. The bond market would definitely indicate that the average yields have gone from 3.24 to 2.98 percent since early January, that is, interest costs have dropped 0.26 percent. I am certain that many of our school bonds in Michigan have been sold a half of 1 percent lower in the last week than they sold 6 weeks ago.

Mr. GWINN. Then in truth the number of school bonds that were withheld and not marketed was very small?

Mr. ADAMS. It was very small, sir.

Mr. MORRIS has checked and found that of the \$191 million postponed in the fourth quarter only \$23 million were for schools. Now, I will give you a little later in this statement the reasons for some of those not being sold which I think are equivalent in some cases to the reason why we were not able to sell our State of Michigan highway bonds.

In short, the school financing for the past 4 months projected for the full year would mean an expenditure for school construction of approximately \$2,900 million to provide about 96,600 classrooms in addition to the 69,200 scheduled as of October 1, 1956, for completion during the school year.

Another measure of coming school financing is provided in the Bond Buyer inventory of proposed State and municipal bond issues which as of November 9, 1956—this inventory did not include issues under \$500,000 and we have eliminated issues for which approval elections had not yet been held—included school-bond issues for ele-

imentary and secondary schools aggregating over \$1,712 million. Bond approval elections from November 9 through January 31 have authorized an additional \$208,285,000 of school bonds.

Mr. BAILEY. I believe the program for 1956 approximated \$2½ billion; is that right, so that you are estimating that there will be \$400 million more construction in 1957 than there was in 1956. I believe Mr. Folsom presented a figure of \$2½ billion for the program for 1956.

Mr. ADAMS. I will see if we can check that figure definitely. I would not say, however, that this figure would be a final figure for the year 1957 because I happen to know one particular instance of where I have been trying to help out a local board that is planning on selling \$3½ million in bonds and they plan to sell those bonds in April and hope to break ground by May and have that school well under way during this year so that this thing would be a continuing proposition. It does not mean that these would be the only schoolrooms that would be completed in this year.

Mr. GWINN. There may be more?

Mr. ADAMS. There may be quite considerably more.

Mr. BAILEY. At this point, if the witness will permit an interruption, I notice that we have some gentlemen here that appeared yesterday representing the national chamber of commerce. It seems that since we have another out-of-State witness to hear, we will not be able to get to finishing up the testimony because there is a session of the House at 12 o'clock. Would it be possible, Mr. Miles, for your representation to come back Monday morning?

Mr. MILES. If that is the wish of the chairman, yes, sir.

Mr. BAILEY. I see no other way out of it. I did not want to keep you waiting here all morning. We will schedule your reappearance for Monday morning.

You may proceed.

Mr. ADAMS. I will start again with this statement regarding the bonds advertised for sale.

Another measure of coming school financing is provided in the Bond Buyer inventory of proposed State and municipal bond issues which as of November 9, 1956—this inventory did not include issues under \$500,000 and we have eliminated issues for which approval elections had not yet been held—included school bond issues for elementary and secondary schools aggregating over \$1,712 million. Bond approval elections from November 9 through January 31 have authorized an additional \$208,285,000 of school bonds. The school bonds authorized as of November 9, plus the additional school bonds authorized through January 31, aggregate over \$1,920,285,000 which, increased by the usual percentage of construction funds from other sources, would provide over \$2,748 million of school construction—over 91,400 classrooms at \$30,000 per classroom, which is in addition to 69,200 classrooms scheduled as of October 1, 1956, for completion and again I say, through the school year 1956 and 1957 and several thousand classrooms financed between October 1, and the date of the inventory; and these figures omit (1) many authorized issues under \$500,000, which in the past have made up approximately 18 percent of total school financing and (2) issues authorized for several purposes when it was not possible to determine how much of the

authorization was for school construction. Additional bond approval elections are scheduled for coming months. Large amounts of the authorized school bonds are being offered and sold daily. For example, the Bond Buyer contained invitations for bids on Friday, February 15, for \$14,127,500 school bonds; on Monday, February 18, for \$35,745,000 school bonds; on Tuesday, February 19, for \$28,176,000 of school bonds; and on Wednesday, February 20, for \$19,474,500 of school bonds—a total of over \$97,500,000 in the last 4 days.

In summary, while 80,000 classrooms were estimated to be needed as of the fall of 1956 to accommodate excess enrollment, 69,200 instruction rooms were scheduled as of October 1, 1956, for completion during the current school year, and I mean the 1956-57 school year, bond sales during the last 4 months should provide about 82,600 additional classrooms, and the rate of school bond sales during the last 4 months projected for the full year would provide construction of over 96,600 classrooms in addition to the 69,200 classrooms scheduled as of October 1, 1956, for completion during the current school year.

Mr. BAILLY. Let me interrupt the witness there. In the comparison of the 1956 year, the current fiscal year, with 1950, there were only 22,000 classrooms constructed in 1950 so that a 50 percent increase over that would not be much.

Mr. ADAMS. That is a 150 percent increase. This is the amount expended for school construction.

Mr. BAILLY. That brings you in line with Mr. Folsom's figures where you double 22,000 and add one-half of 22,000 and you have about 55,000 classrooms and that is what you are going to construct, not 90,000.

Mr. ADAMS. That was for the year 1956. Those would be completed within that calendar year.

Mr. GWINN. 150 percent would be how many?

Mr. BAILLY. 150 percent of 22,000. 100 percent additional would be 44,000 and half of that 11,000 which would be about 55,000 classrooms. That is just about what the program worked out to. Mr. Folsom said it would reach 42,400, and not 69,000, and certainly not 90,000, as the gentleman would have us believe.

Mr. ADAMS. May I ask you where the 62,000 during the calendar year 1956 came from?

Mr. BAILLY. I believe that that statement of his was based on the calendar year.

Mr. ADAMS. Our figures that I have given you of 69,000 are for the current school year which would end June 30. In other words, as of October 1, our figures state 69,000 scheduled for completion before the end of that school year, June 30.

Mr. BAILLY. The Secretary said that actually it was 63,000. He must have been on a calendar year basis when he reported to us.

Mr. GWINN. Have you any further statement to make on this? We do not want to leave any room for controversy on these facts. These are very important facts in our calculations.

Mr. ADAMS. Our statement was to the effect that, based on the bonds that were voted and sold in the last 4 months, if you project that on a full year's basis that there would be 96,000 classrooms constructed in the course of a 12-month period.

Mr. GWINN. Of the school year 1957-58?

Mr. ADAMS. That could very readily be. If the bonds were sold in the fall it is very doubtful that any schoolrooms would be constructed before the end of the year.

Mr. GWINN. Getting back now to the 1956-57 school year, you stated, to repeat those facts, what the total construction on the basis of bonds sold at \$30,000 per schoolroom turned out to be.

Mr. ADAMS. Our figures of 69,200 were the figures of schoolrooms scheduled for completion during the 1956-57 school year. Then our other figures that were a projection are based on the bonds that have been sold in the last 4 months. Now, I do not know when they will be completed or when they may be started.

Mr. BAILEY. Certainly, they would not be completed before July 1 if you are on a fiscal-year basis.

Mr. ADAMS. I would doubt it very much.

Mr. BAILRY. Let me at this point quote from the Commissioner's testimony. Mr. Folsom testified:

Last year, about 63,000 classrooms were built at a cost of about \$2½ billion.

Mr. HASKELL. That is 1955-56?

Mr. BAILEY. That is 1955-56, presumably, and could have been on a calendar-year basis. He goes on:

And the States estimate that they may build up to perhaps 69,000 classrooms for this year.

Mr. HASKELL. Would the chairman yield?

Mr. BAILEY. That would be 1956-57, so that he was talking about—

Mr. GWINN. The same figure that the gentleman spoke of.

Mr. BAILEY. The gentleman is having us believe that there will be 90,000 classrooms and it is not in the program of the Commissioner of Health, Education, and Welfare.

Mr. LANDRUM. Will the chairman permit a nonmember of the subcommittee to make a statement?

Mr. BAILEY. I will, if you will be brief.

Mr. LANDRUM. I will try to be. I will not make any, if you desire.

Mr. BAILEY. Go ahead.

Mr. LANDRUM. I understand the gentleman's figure of 96,000 to be a projection based on the amount of school bonds marketed in the last 4 months, meaning to say that if we continue to market bonds at a similar rate during this present year for school construction that at the end of the year we will have marketed enough bonds to build 96,000 classrooms more.

Mr. ADAMS. 96,000. That is correct, sir. May I say this: That the statement had been made, as I understand, that the rate of school financing was slowing down and we have merely used these figures for the last 4 months during a period, I believe you will agree, of very tight money to show that the financing is going right ahead and that, if you want to use those 4 months as a basis for projection, you would be able to build on that projection 96,000 classrooms in the course of the financing in the next 12 months.

Mr. BAILEY. May the Chair quote from the Current Outlook of Business Week. It says:

The Investment Bankers Association of America finds that \$191 million of bonds were held off the market in the last year's fourth quarter.

Then they add:

Education represents far and away the biggest need now being felt in the tax-exempt market, highway programs notwithstanding.

Mr. ADAMS. I think I would certainly agree with that.

Mr. GWINN. That is not in conflict with the witness' testimony.

Mr. ADAMS. No.

Mr. BAILEY. Do you mean that they are buying school bond in preference to buying highway bonds?

Mr. ADAMS. No, I have explained that in the 1 instance there were \$52 million of State of Michigan bonds which is a very large chunk of that \$101 million and I believe the State of Connecticut bonds was one issue of \$75 million.

In one instance the State of Michigan were unable to sell the bonds because they had set a maximum coupon rate which would not permit the sale. In the other instance the State of Connecticut were advised to postpone their sales to a more favorable market. Many people postpone sales when the need is not imperative to a time when they feel it is more propitious to sell the bonds.

Mr. BAILEY. Mr. Haskell?

Mr. HASKELL. To make sure that I have these figures right I read the President's message and he said that in 1955-56 the rate was 63,000 classrooms. The Secretary of Health, Education, and Welfare said 69,000 in 1956-57. Is your forecast 1957-58 or is it splitting this in the middle?

Mr. ADAMS. I would like, if I can, to clarify it in this way: That as of October 1, 1956, according to the statement of the Department 69,200 rooms were scheduled for completion. Now, we interpret that as meaning that the financing is done, the plans are laid, and the schoolrooms are to be completed before the end of the school year, 1956-57. Now, forgetting that, we simply then are picking up with the new bond sales that have occurred since that date because I am quite certain that no one is going to say that they have scheduled a building for completion unless they have financed it. We have picked up then beginning October 1, 1956, and shown the financing that has occurred since that date and projected the schoolrooms that you could build at the rate of \$30,000 a schoolroom over a year's time.

Mr. BAILEY. You should not add them to the number that was scheduled for completion under the previous financing or you get a distorted picture because some of them that were financed in 1956 will not be completed even at the end of the fiscal year June 30 of this year.

Mr. GWINN. I understand that the gentleman is talking about new financing, not 1956-57 financing. That is past and gone.

Mr. ADAMS. That is correct.

Mr. GWINN. He is talking about the 1957-58 school year, is that correct?

Mr. ADAMS. We are simply saying that this money has been provided for the construction of schoolrooms. Many places will possibly sell bonds ahead of time and may not even start the construction for 3 or 4 or 5 months. I have no way of knowing when these buildings may be completed. I am simply saying that the financing has been provided, the money is there and when they may build I cannot say.

Mr. HASKELL. But probably the completion would come in 1957-58?

Mr. ADAMS. I would say that is a very fair assumption.

Mr. GWINN. At any rate, the year in which you estimate 96,000 additional schoolrooms is 1957-58?

Mr. ADAMS. That is correct.

Mr. HASKELL. Could I ask one question? I am asking a question on the bond market. Are most classrooms financed in these 4 months or is it general that it continues about even around the year or how does that work from past experience?

Mr. ADAMS. We went back and checked on that quite carefully, and I have here the financing that runs back on all municipal financing for the years from 1947 to date and there is nothing here in all those years that would lead you to believe or come to any conclusion that the financing for those 4 months would be other than an average projection for a year. We looked for that same thing. As a matter of fact, the only month, it seems to me from my experience in this business and from looking at these figures, that is generally a very low month in financing is the month of August. That is generally a low month.

Mr. HASKELL. So that you think it is fair to project these 4 months as a possible average as it were?

Mr. ADAMS. Definitely we do, sir.

Mr. GWINN. For the record, I think, Mr. Chairman, it should appear that the witness is talking about actual statistical bond issues issued and offered for the market—

Mr. ADAMS. And sold.

Mr. GWINN. And sold, as a basis for projecting the number of classrooms that are to be built in the school year 1957-58.

Mr. ADAMS. That is correct.

Mr. GWINN. The only evidence we have to the contrary, if it is contrary, is the statement of the United States Commissioner of Education based largely on a questionnaire which he sent to the superintendents of State schools and they in turn gathered their information on school needs and projections often by a postcard circular to the superintendents of schools of the various school districts, many of whom did not answer at all.

Mr. ADAMS. That is correct.

Mr. HASKELL. Would the gentleman yield?

Mr. GWINN. I yield.

Mr. HASKELL. I do not believe there is a conflict here because you are not talking about the same year of forecast as the 69,000 classrooms. There is a 63,000 figure, a 69,000 figure, and you have given us another estimate. Nobody has made that estimate.

Mr. GWINN. That, I think, is correct.

Mr. UDALL. Mr. Chairman.

Mr. BAILEY. Mr. Udall.

Mr. UDALL. If I may participate and come to the rescue of the President and Secretary Folsom on this: based on the experience of the last 4 or 5 years since we undertook to estimate the number of classrooms that have been built, I am inclined to believe that the method of relying on the State school superintendents getting the actual facts is much more sound than the gentleman from New York obviously thinks it is. There we are dealing with people who are making a survey of what is actually done and those figures have been accepted by the President and the Secretary of Health, Education, and Welfare as being reliable figures. I, too, take them as being reliable.

Now, what the gentleman is doing here is using an entirely different index and attempting to make a projection, and it seems to me that, if we have to rely on the one or the other, the answers given by the people who actually determine from the school districts, "How many did you build last year? How many are you planning to build this year?" are far more reliable because this attempt here to use a bond sale index when we do not know what the overlap is and we do not know when the buildings will actually be built, to me is far less reliable although they may be correct. If I had to accept the President and Mr. Folsom's estimate or accept this projection which is in part taken out of the air, I think I would go along with the administration figures.

Mr. HASKELL. Would the gentleman yield?

Mr. UDALL. Yes.

Mr. HASKELL. I am not sure that there is a conflict. I do not know how the Secretary made his estimate of 69,000 classrooms. He may well have looked at what has been sold. I should think that on the 1956-57 figures you could make a pretty accurate guess as to what the classroom situation is going to be. I see no reason at all not to use the bond market.

Mr. UDALL. The gentleman from Delaware seemed to indicate a view that this projection is for 1957-58.

Mr. HASKELL. That is correct.

Mr. UDALL. According to common practice of school districts, if these bonds that he is talking about were sold in November and December and January, those classrooms are going to be under construction and complete this year, not next year or several months from now.

Mr. HASKELL. Not at all. As I understand, these bonds have just been sold in the last 4 months. When they break ground, I do not know.

He said that in May, for instance, they will be breaking ground. They may be completed a year from then so that it is a 1957-58 projection based on bonds already sold. I do not see why that is not a very accurate figure.

Mr. UDALL. Mr. Folsom's 69,000 figure is a 1957-58 projection.

Mr. HASKELL. No; it is 1956-57.

Mr. UDALL. That is the way I read it.

Mr. HASKELL. I can take it from the President's message. The 1956-58 figure was an unprecedented record. As I remember the Secretary's testimony, it was for the 1956-57 year. Nobody has made a guesstimate on the third year. The witness is simply making his projection on the bonds sold. I do not see that that is not a sound way to do it. It is a hopeful sign. We ought to be delighted.

Mr. UDALL. Frankly, I hope he is correct. I hope that there is a tremendous change but we got no outlook even approaching this from anyone who testified to this point and maybe we are overlooking a bet. Maybe the people who are selling bonds have an index far more reliable than anything else available, but I have serious questions about it myself.

Mr. HASKELL. One thing you know about the bonds is that these classrooms are going to be built. I think these figures are interesting and revealing and maybe there has been a change.



Mr. BAILEY. Let the Chair ask the gentleman a question. Is it not true that probably more than 50 percent of the school financing and sale of bonds is done in the first quarter of the calendar year?

Mr. ADAMS. There is nothing to indicate that that is true, sir.

Mr. BAILEY. Has it not been in the past? I thought they did most of their financing then.

Mr. ADAMS. No, the figures will show if you take your financing for the year that, for instance, the month of January in 1956 showed that there were \$406 million of financing in January. This is total State and municipal financing. There was \$709 million in February; \$400 million in March; \$309 million in April; \$490 million in May; \$736 million in June; \$378 million in July; then August, \$213 million; then \$335 million in September; \$645 million in October; and \$311 million in November; \$389 million in December. You can go back and take year by year and find that, for instance, the largest month in the year 1955 was \$923 million in the month of October. The market has something to do with it. The time of the voting has something to do with it. I do not see anything to indicate that you could say that in any particular 4-month period there would be any reason to say that most of the financing is done at this time.

Mr. HASKELL. You have gone back and made a graph to 1947. I thought you said you made a graph.

Mr. ADAMS. I did not make a graph but I have here all the figures for every month, 1947 to date.

Mr. HASKELL. You have looked back through them?

Mr. ADAMS. I have, sir. I tried to find the same thing you were looking for. That was some indication that there was a heavier amount of financing at one period of the year than the other.

Mr. BAILEY. I will frankly say that I do not know where I got that impression. I think some economist used it. I do not know where.

Mr. ADAMS. One might readily get that impression from a given State. The State of Ohio finances a great deal of their school financing in the early months of the year. It just happens to be one State that does. It does not mean that that is true of any other State necessarily.

Mr. HASKELL. Could I ask a question along this line?

Mr. BAILEY. You may.

Mr. ADAMS. If you care to make this a part of the record, may we include this giving the financing by months from 1947 to date?

Mr. BAILEY. Surely. Without objection, it will be included in the record.

(The information referred to appears at the close of witness' testimony, see p. 462.)

Mr. HASKELL. Have you noticed in your sale of bonds what is the acceptance of the market in, say, Alabama, Mississippi, and those States where the greatest need shows up? Have you noticed that there is a tendency for them to be unable to sell their bonds in those areas? Are these 4 months of financing pretty much in the wealthy States?

Mr. ADAMS. Not at all. I am going to give you some figures in that connection a little later to tell you where the financing did fail in those last 4 months and why.

Mr. BAILEY. Could you file with the committee a report on the areas in which this sale of which you are talking of, \$684 million,

occurred? Could you give us a breakdown as to the States where it occurred? It would be quite useful for us in deciding the type of allocation.

Mr. ADAMS. Let me be sure that I got your question. I am a little hard of hearing.

Mr. BAILEY. You would know, of course, in what States this financing took place?

Mr. ADAMS. Yes, sir.

Mr. BAILEY. We would like to have that information.

Mr. ADAMS. All right, sir.

(The information referred to appears at the close of witness' testimony, see p. 464.)

Mr. HASKELL. I presume it would be too much of a research job to discover in what parts of the State. An expanding city might be doing a job. You could only do it by States. You would not care to comment on the number of districts in Mississippi that failed to float their bond issues.

Mr. ADAMS. I have no record of any that failed. We will give you a record of the failures for the past quarter which, gentlemen, I believe is one of the toughest periods in the money market that I can remember in my experience in this business. We are going to give you the number of failures and where they occurred and the reasons for the failure.

Mr. HASKELL. Maybe it is going to be hard to get much on that because many times the failure to float a bond issue would be that the public voted down having the issue be brought up for sale so that really the two things that you need to know are where they failed to accept their responsibility by not wishing to vote the bond issue and where they failed to sell it.

Mr. GWINN. I think the gentleman will find that the witness is not testifying to cases where the people turned down the bond issue. He is testifying only to cases where the people voted the bonds and then they were offered to the market.

Mr. ADAMS. That is correct. In the fourth quarter of 1956 there were \$434,006,000 school bonds sold. There were 623 issues. Now, the issues offered but on which no bids were received totaled 14 issues.

Mr. GWINN. 14 out of 623.

Mr. ADAMS. That is correct. That is 2.2 percent. Eight of them were in the State of Indiana where the statutory limit on interest on school bonds is 4 percent. They now have a bill in the legislature to make a change on that score. There were 8 of the 14 in Indiana and the reason was because they could not sell the bonds at 4 percent or less. One was in New York State and had an advertised limit of 4 percent. One was in Virginia with a limit of 4 percent. One was in Texas with a limit of 4½ percent; one in Tennessee with a limit of 3½ percent; one in West Virginia with a limit of 2¾ percent; and one in Vermont that was sold privately. In other words, it was not sold publicly at the sale but sold privately.

Mr. GWINN. So that in none of the so-called needy States were their bonds turned down.

Mr. ADAMS. And in, I would say, one of the most severe periods in my experience in the municipal bond business as far as tight money is concerned.

Mr. LANDRUM. Mr. Chairman.

Mr. BAILEY. Mr. Landrum.

Mr. LANDRUM. Did those 14 issues total the \$23 million that you referred to earlier?

Mr. CALVERT. We have not totaled those. We can before the hearing is over.

Mr. LANDRUM. You referred to \$23 million of school bonds offered that were not sold and said you would tell us later why they were not sold. Is that \$23 million in the 14 issues?

Mr. ADAMS. Yes, sir, those 14 issues are in the \$23 million.

Mr. LANDRUM. Is that all of the \$23 million? Those 14 issues make up the entire \$23 million?

Mr. ADAMS. I would want to check that to be doubly sure but we know according to our research on it that these were the only issues offered during that period on which no bids were received.

Mr. LANDRUM. Thank you.

Mr. UDALL. Mr. Chairman, I have one point.

Can you furnish us the figures for school bond sales for the last 3 or 4 years? Is that readily available to you?

Mr. ADAMS. No, because it is a part of total financing and would have to be broken down as to purpose.

Mr. UDALL. You have broken it down for the last 3 or 4 months.

Mr. ADAMS. That is correct.

Mr. UDALL. Can you, without a great deal of work, give us the figures for 1950 and 1955?

Mr. ADAMS. The only way you could do it would be to do what we did in the last 4 months. That is to review every single sale and there were over 600 in the last 4 months.

Mr. UDALL. I do not think as one member of the committee that I can determine the accuracy of your projection or give it any weight unless I see the past period of 2 or 3 years. You take a 3- or 4-month period and start talking about that in isolation from what has happened in the prior period and it does not give a reliable index, it seems to me, and personally, if you can furnish us—which may require considerable work—with a breakdown for 3 or 4 years, I think it would give us a broader frame of reference. You could give us that complete bond-sale information to see whether it has gone up or down and what the fluctuations have been.

Mr. ADAMS. Do you mean monthly so that you would see how many school bonds are sold each month?

Mr. UDALL. I am not so much interested in monthly figures as I am in getting a broader period so that the figures you have given us for the last 3 or 4 months can be taken in that context.

Mr. HASKELL. Yearly.

Mr. UDALL. Yearly.

Mr. ADAMS. Most people have been saying that we were not doing the job of school financing during this tight-money period and I have taken the 4 tightest months we have had in my experience in business.

Mr. UDALL. I am fascinated by the figures you have given us in light of that fact but I still cannot weigh or evaluate it until I know what went on before that.

Mr. ADAMS. I am trying to think how we can present facts that will be helpful to you, sir. Is that a question then of inability to sell or just a question of finding out how many school bonds have been sold in the past?

Mr. UDALL. It will give the answer to both as far as I am concerned. In other words, the argument has been made, which you seemingly refute, that the tight money situation has caused bond sales to drop off. If your figures prove that, well and good, but I think that they will disprove it, for instance, by showing that 8 or 9 months ago or a year ago before the tight-money situation came into existence you had a different picture. In other words, everything is relative by reference to something that happened previously, and I think it would be most helpful and I will be very disappointed if you do not do the spade work and give us the picture back, I would hope, a couple of years prior to that, if you can.

Mr. ADAMS. We can give you that information for all issues over \$500,000 without too much difficulty. As I have stated about 18 percent of the total financing this past year has been under the \$500,000 amount.

Mr. UDALL. I would be most pleased if you could do that. I think it would help to round out your testimony and help us a great deal.

(The information referred to appears at the close of witness' testimony, see pp. 462, 463.)

Mr. HASKELL. I would like to say that I think that these would be of tremendous importance to the committee if you could do that. I know it involves expense and work.

Mr. BAILEY. May the Chair inquire of the witness how much more of your formal testimony do you have to present?

Mr. ADAMS. I would say about half of it.

Mr. BAILEY. If it is satisfactory to the gentlemen we will excuse you at this point. I have the superintendent of schools from Buffalo whom I promised that he could appear so that he could go back home. Could you come back at 2:15 this afternoon?

Mr. ADAMS. Yes, sir. I will be able to get away late this afternoon.

Mr. BAILEY. I think an hour would probably be enough to ask you to give us this afternoon. Thank you for your courtesy in stepping aside. The members want to ask further questions and I know we cannot do it if we hear the gentleman whom I promised an opportunity to appear. Will you be back at 2:15 and we will resume then.

Mr. ADAMS. Thank you.

(Supplemental information requested by the chairman and members of the subcommittee was subsequently furnished and follows:)

#### INVESTMENT BANKERS ASSOCIATION OF AMERICA

Washington, D. C., February 26, 1937.

HON. CLEVELAND M. BAILEY,

Chairman, Subcommittee on General Education, House Committee on Education and Labor, House Office Building, Washington, D. C.

DEAR REPRESENTATIVE BAILEY: During my testimony before your subcommittee on February 21 with respect to proposed legislation to provide Federal aid in the construction of public elementary and secondary schools, it was requested that I furnish certain additional information to the subcommittee. Accordingly, I am sending to Mr. Fred Hussey, the clerk of the committee, a copy of this letter together with the following:

(1) A table, from page 28 of the January 23, 1937, December municipal bond sales supplement of the Daily Bond Buyer, containing a summary of the monthly sales of State and municipal bonds for the past 10 years. It should be noted that this table includes all State and municipal bonds, and is not limited to school bonds.

(2) A list showing the number of issues and the aggregate dollar amount of school bonds sold in each State during the period from October 1, 1936, through

January 31, 1937. The bonds in this list make up the 890 issues of school bonds aggregating \$684,006,000 referred to in my testimony as having been sold during the period October 1, 1936, through January 31, 1937. The fact that the list shows little or no school bond sales in a particular State indicates merely that little or no school bond financing was done in that State during the 4-month period, but the coming months may show large amounts of school bond financing in those States and smaller amounts of school bond financing in the States which completed a large volume of school financing during the 4-month period referred to above.

(3) A table, which was contained in page 5 of my prepared statement, listing the total State debt, per capita State debt and per capita income in each State in 1935. The transcript of the hearing indicates at page 771 that this table is included in the record. [See p. 474.]

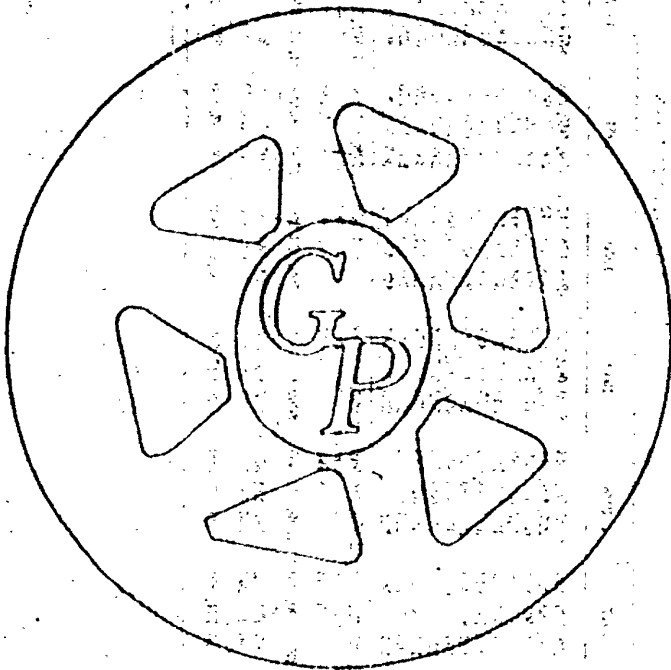
I hope that this information will be helpful to your subcommittee.

Very truly yours,

WILLIAM M. ADAMS.

P. S.—In order that the record will include the foregoing explanation of the enclosures, I respectfully request that this letter also be included in the record.

(The information referred to is as follows:)



## A decade of municipal financing

[This table, compiled from data collected by the Daily Bond Buyer of New York, shows at a glance the sales by months of both bonds and short-term notes of States and municipalities in the United States and of U. S. Territories and insular possessions and municipalities therein during the past 10 years.]

## LONG-TERM LOANS

	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956
January.....	\$228,929,436	\$125,762,543	\$199,063,341	\$249,175,717	\$180,040,293	\$574,694,036	\$391,872,235	\$369,429,982	\$841,449,227	\$408,798,996
February.....	100,183,929	227,408,344	203,674,173	598,829,942	205,770,665	353,613,559	362,629,191	414,305,796	327,537,185	708,444,459
March.....	353,501,800	639,537,936	171,705,931	361,723,982	169,622,566	159,617,710	433,142,393	369,850,054	839,787,860	400,649,877
April.....	405,775,858	167,625,982	198,761,549	184,191,816	237,661,636	456,065,263	348,858,657	723,074,298	639,039,570	390,540,942
May.....	108,501,579	196,140,764	349,557,201	355,150,178	434,990,626	406,463,888	650,200,398	782,571,576	349,646,098	690,526,774
June.....	214,749,842	307,849,026	324,825,425	361,301,682	335,166,152	637,232,344	643,039,567	854,717,712	650,781,442	390,368,212
July.....	144,801,345	258,299,326	244,172,529	208,854,671	394,090,917	245,343,900	521,489,403	280,425,809	470,161,967	175,533,187
August.....	194,219,694	318,815,842	218,661,765	322,794,636	156,213,691	211,532,691	290,063,119	300,344,345	256,707,097	213,237,691
September.....	275,005,872	119,039,369	332,857,253	290,006,345	249,434,414	473,749,671	473,895,378	651,862,743	407,314,404	525,929,691
October.....	121,033,615	243,325,188	230,822,174	228,427,234	381,590,223	309,104,847	962,876,238	615,479,008	925,817,874	643,717,579
November.....	105,873,104	213,808,213	265,518,941	394,390,937	299,108,573	229,896,629	410,581,082	459,795,497	681,016,577	311,254,375
December.....	101,194,501	131,720,415	255,706,767	170,556,841	265,503,307	403,043,190	777,140,098	906,056,087	415,294,390	399,627,399
Total.....	2,353,771,582	2,980,731,949	2,995,425,049	3,693,404,165	3,278,153,053	4,401,317,467	5,557,987,399	6,994,641,896	5,976,503,820	5,408,698,115
Number of issues.....	3,403	4,706	5,107	5,861	5,281	5,313	5,795	6,526	6,680	6,428
Revenue (including re-funding) <sup>1</sup> .....	\$385,690,800	\$549,501,600	\$682,963,250	\$399,923,200	\$730,096,200	\$1,463,350,500	\$1,567,246,570	\$3,214,381,100	\$1,732,414,450	\$1,670,698,445
Refunding total <sup>1</sup> .....	63,174,243	187,124,350	105,034,600	121,243,190	97,879,900	329,513,585	126,538,898	157,893,293	75,626,725	75,968,515
General obligation.....	46,443,243	136,436,300	82,967,100	67,612,190	49,635,400	89,065,055	32,578,598	61,526,293	29,592,725	26,216,316
Revenue.....	16,731,000	50,698,000	22,047,500	53,631,000	48,243,500	239,828,500	93,980,000	96,357,000	46,034,000	49,747,000

<sup>1</sup> Included in yearly table.

# SHORT-TERM LOANS

January.....	\$77,979,000	\$77,416,000	\$126,908,600	\$178,972,000	\$115,284,800	\$93,863,000	\$294,083,000	\$304,473,000	\$191,314,630	\$196,284,000
February.....	81,067,000	79,894,500	120,197,000	167,084,000	134,608,500	156,037,000	110,842,750	434,194,500	262,627,230	337,195,000
March.....	144,126,929	103,453,200	135,002,000	100,279,000	89,529,000	200,194,000	333,219,000	266,676,000	209,761,000	268,649,000
April.....	71,893,000	94,367,000	110,200,430	114,087,946	191,699,000	172,674,000	144,996,000	249,647,820	200,691,145	124,806,500
May.....	29,927,000	24,856,784	61,224,800	119,128,300	162,556,500	232,725,550	224,569,870	244,328,000	149,769,675	232,070,925
June.....	48,716,800	34,758,500	120,039,600	79,256,225	105,894,673	120,028,000	151,363,736	179,740,475	218,822,550	174,825,000
July.....	134,384,000	104,758,827	67,449,500	136,890,000	74,901,274	266,029,826	172,444,250	339,708,400	301,267,000	194,624,300
August.....	30,773,000	150,303,200	196,516,000	172,439,000	84,780,150	232,288,000	366,236,666	257,554,000	330,458,000	307,419,000
September.....	77,112,860	100,402,000	106,686,000	39,798,000	36,314,500	96,517,260	251,639,000	351,009,500	200,457,997	178,780,000
October.....	88,242,000	43,137,700	46,513,600	123,887,000	191,103,500	161,728,794	294,112,850	260,412,500	136,646,000	294,243,650
November.....	23,010,000	81,747,100	119,155,000	202,771,000	210,915,000	24,373,500	190,836,000	133,922,000	342,810,000	327,960,000
December.....	148,464,000	84,614,000	126,143,675	176,528,000	215,196,000	292,063,350	218,734,000	327,572,000	148,913,000	148,423,000
Total.....	957,537,229	1,004,728,795	1,332,836,303	1,611,133,561	1,636,758,897	2,049,150,972	2,756,631,122	3,350,234,996	2,592,945,267	2,708,292,573
Number of issues.....	535	472	697	672	604	1,027	1,468	1,221	1,072	1,193
Grand total.....	\$3,311,308,791	\$3,994,460,744	\$4,328,261,254	\$5,304,737,726	\$4,914,911,950	\$6,450,468,439	\$8,314,518,491	\$10,318,870,891	\$8,560,446,087	\$8,114,991,080
Total number of all issues.....	4,338	5,179	5,794	6,533	5,885	6,410	7,263	7,747	7,732	7,621

NOTE.—Housing Authority issues: Included in this table are all Housing Authority notes and bond issues. By years, amounts of such Housing issues included in above table are as follows: 1947: Notes, \$412,927,000; bonds, \$4,306,000; 1948: Notes, \$466,540,200; bonds, \$65,770,000; 1949: Notes, \$789,831,400; bonds, \$143,300,000; 1950: Notes \$886,862,000;

bonds, \$50,210,000; 1951: Notes, \$974,420,000; bonds, \$389,105,000; 1952: Notes, \$1,206,507,500; bonds, \$358,495,423; 1953: Notes, \$2,041,480,000; bonds, \$499,242,000; 1954: Notes, \$2,632,401,000; bonds, \$374,972,000; 1955: Notes, \$1,868,242,000; bonds, \$302,200,000; 1956: Notes, \$1,738,867,000; bonds, \$196,335,000.

# 464 FEDERAL AID TO STATES FOR SCHOOL CONSTRUCTION

*School bonds sold during the period Oct. 1, 1936 to Jan. 31, 1937, by State and local educational agencies*

State	Number of bond issues	Total value of bond issues	State	Number of bond issues	Total value of bond issues
Alabama.....	5	\$4,367,000	New Hampshire.....	6	2,244,000
Arizona.....	19	9,833,000	New Jersey.....	26	31,085,000
Arkansas.....	1	750,000	New Mexico.....	1	458,000
California.....	135	84,861,000	New York.....	47	65,590,000
Colorado.....	3	2,083,000	North Carolina.....	7	4,820,000
Connecticut.....	16	11,318,000	North Dakota.....	3	172,000
Delaware.....	4	1,584,000	Ohio.....	85	41,715,000
Florida.....	18	9,885,000	Oklahoma.....	23	6,765,000
Georgia.....	3	5,900,000	Oregon.....	12	1,325,000
Idaho.....	4	2,438,000	Pennsylvania.....	43	44,223,000
Illinois.....	65	40,826,000	Rhode Island.....	0	.....
Indiana.....	28	12,433,000	South Carolina.....	3	15,430,000
Iowa.....	13	9,167,000	South Dakota.....	6	3,817,000
Kansas.....	13	13,729,000	Tennessee.....	9	13,728,000
Kentucky.....	11	3,131,000	Texas.....	60	43,172,000
Louisiana.....	17	19,184,000	Utah.....	0	.....
Maine.....	2	279,000	Vermont.....	5	1,584,000
Maryland.....	6	22,188,000	Virginia.....	4	6,745,000
Massachusetts.....	27	20,073,000	Washington.....	24	23,248,000
Michigan.....	64	48,277,000	West Virginia.....	0	.....
Minnesota.....	27	16,022,000	Wisconsin.....	19	12,776,000
Mississippi.....	5	1,370,000	Wyoming.....	3	2,626,000
Missouri.....	10	12,785,000			
Montana.....	4	811,000			
Nebraska.....	3	274,000			
Nevada.....	1	200,000			
			Total, United States.....	890	664,606,000

Mr. GWINN. Mr. Chairman, I understand that Secretary Folsom is to be called back.

Mr. BAILEY. Yes. He is coming back.

Mr. GWINN. I think that, in view of these facts today, the Secretary ought to justify the reliability of the sources of his information on schoolhouse shortage.

Mr. BAILEY. The next witness will be Superintendent Ewing of the Buffalo, N. Y., city schools.

Mr. Ewing, you may further identify yourself to the reporter and give us your testimony.

I might add that the gentleman has no prepared statement of his testimony so that the committee members will have to pay attention to his testimony in order to conduct their examination.

## STATEMENT OF PARKER L. EWING, SUPERINTENDENT OF SCHOOLS, CITY OF BUFFALO, N. Y.

Mr. Ewing. I am the superintendent of schools at Buffalo, N. Y., which is a city of some 600,000 population.

The cities of the United States represent about one-fourth of the school population. I think that, from many of the comments I hear and those that I read in the papers, that perhaps our problems are a little different than those of communities in general across this great country of ours.

For instance, in looking at our school buildings I find that 5 of them are 80 years or older; 8 of them are in the 70- to 79-year group; 25 buildings are in the 60- to 69-year group; 14 are in the 50- to 59-year group; 8 are in the 40- to 49-year group, and 20 in the 30- to 39-year-old group; 8 are in the 20- to 29-year-old group, and 1 in the 10- to 19-year group. At the present time, we have three buildings in the process of construction.



In our high schools 1 building is over 50 years old and 6 of them are in the 40- to 49-year class; 4 of them are in the 30- to 39-year class and 20 in the 20- to 29-year class.

Mr. BAILEY. Would it be fair to say, Mr. Ewing, that it would appear that you have an immediate problem of replacement?

Mr. EWING. Yes, replacement and rehabilitation.

Mr. BAILEY. How about your new needs, your present and prospective enrollment?

Mr. EWING. May I add one other statement as to the need of the buildings? We have 130 units, additions and buildings. Out of these 130 units, 36 of them have what is known as wood construction. That is they are brick buildings but the floors are wood, the supporting joists are wood, the stairways are wood. We have 45 that are of steel construction and only 49 out of the 130 are of structural concrete.

In our present building plan we need 28 new buildings or additions. That is, we have projected our needs into the future and this is not a rehabilitation program that would tear down all of the old buildings but this is one that we feel would bring our buildings up to what might be called a minimum standard. There are 28 buildings in this list.

I wonder if I might present to you some of the population facts which are often overlooked by people. If you were to approach a man in the street today and say, "Where do you think the population bulge is at the present time?" he would probably guess that it is in the high schools, but our real rise in population came in 1947 and since that time we have had a constant upsurge in the birthrate. The children who were born in 1947, which we sometimes refer to as the year of the bulge, entered kindergarten in 1952 and are now in the fifth grade. These youngsters will not be in high school until 1961. They will graduate in 1964 and enter college in 1965.

We have many problems in a city like Buffalo. It is not one of increasing population so much, although our school population is now increasing at the rate of 1,000 per year. Our problem is mainly one of a shift in population and rehabilitating and rebuilding our old buildings.

This month we presented to the capital expenditures committee of the city a request for \$9,544,000 in capital funds to do the job that we find ahead of us which is building new buildings, rehabilitating buildings and replacing buildings and replacing equipment. In a school system of our size the matter of selling bonds to replace old and obsolete equipment is a very important item. During the present year we asked for \$9,544,000. After a great deal of deliberation they told us we might have \$3,100,000 so that we may get a third of what we asked for.

Mr. BAILEY. Who was doing the telling?

Mr. EWING. We are a city school district and we are a part of the city. Our financing must be approved by the mayor and the city council. The total amount which we asked for is the approximate amount which the city can finance during the present year for all purposes.

I think it is rather difficult to explain to some people how a school district is financed. People say "Well, have you used up all of your resources?" It is very evident that your few cities have used every cent that they have or can levy. In our community we have many needs

for the fire department, for the police department, for the libraries, for all of the many other facilities of the community, and when they allow you the money for capital expenditures they only allow you only a percentage of the money that was requested.

I think Buffalo is typical of most of the larger cities. The larger cities of over 500,000 represent 10 percent of the total enrollment of the schools of this Nation. We have a very serious problem facing us in financing our school program.

Mr. BAILEY. You are handicapped in that your school financing is required to be done through the city council.

Mr. EWING. That is right, but that is a part of the government. They are willing to give us our percentage of the money but during the years ahead they feel that \$10 million per year is about all the money that they can allow for all capital expenditures.

Mr. BAILEY. And the school share is about \$3 million?

Mr. EWING. This year it is \$3 million. Last year it was over \$4 million.

Mr. HASKELL. You are referring to the city limits?

Mr. EWING. Yes.

Mr. HASKELL. Today more than half of the population would be outside of the city limits and contiguous.

Mr. EWING. Not in our school district.

Mr. HASKELL. You mentioned the 10 largest cities.

Mr. EWING. The cities of over 500,000 population represent about 10 percent of the school population of the Nation.

Mr. HASKELL. That is in the cities as defined by city limits as opposed to the contiguous population?

Mr. EWING. Yes. Practically every city, I believe, except Los Angeles, is contiguous with the city limits.

Mr. GRIFFIN. Mr. Chairman, may I ask a question?

Mr. BAILEY. Yes.

Mr. GRIFFIN. Is the per capita income of Buffalo, which you said is a typical city, about the average for the State of New York?

Mr. EWING. I would say the income would be average or above.

Mr. GRIFFIN. I am not necessarily against some plan for Federal aid to education but it is amazing to me that you, coming from New York and looking at the figures that were presented this morning indicating that New York would have to pay \$91 million to the Federal Government to get back \$15 million, would think that it was the thing to do to come to Washington to solve the problem that you have in Buffalo.

Mr. EWING. I did not come to Washington to try to solve Buffalo's problems. I think as a committee that you should get the viewpoint of someone who is on the firing line, who deals with children and building problems every day and who also deals with taxpayers, people who pay the tax bill; and it seems to me that it is time in America that our entire government structure from the Federal down to the local district participates in this matter of school support. Our State and our local districts, I think, should be partners with the Federal Government in solving this problem. We cannot do it quickly enough if we try to use the methods which have been talked about today. There has to be a step-up in the plans for providing educational opportunities for all children.

Mr. GRIFFIN. You think it is easier to convince us here in Washington than it would be to convince the people back in Buffalo where they actually can see the problems of which you are talking. If I were living in New York as I live in Michigan, I would support a Federal aid for education program only because I want to do something about the States down south and not because I wanted to help my own situation.

Mr. EWING. You might be amazed to know that the States down south are causing us—the big cities—a great deal of trouble because we are getting hundreds of youngsters every day and one of the things that I mentioned to you is the shift in population. We have people coming into school districts where we cannot take adequate care of them at the present time. Buffalo should be building 4 or 5 new buildings immediately that are necessary because of the shift in population from the South to the North.

Mr. BAILEY. Let me ask the witness a question at this point. Is there not a certain responsibility that definitely attaches to the Federal Government for that shift in population?

Mr. EWING. I think there is a very definite responsibility.

Mr. BAILEY. There is a concentration of our defense efforts instead of a broad distribution of them as they are built in certain sections favorable to the Government as they see it, and the population shifts instead of distributing the defense construction efforts.

Mr. EWING. Buffalo is one of the great cities of the Nation but it also has a high tax rate and it is not only the man who works in the office but it is also the man who works in the factory and all of these people who have property who pay the property taxes. It seems to me that the Federal Government has a quick way of helping out a partnership of this type.

Let us transfer the problem to business. Suppose I had a business and I would go to the bank to borrow some money and they would say, "Have you used all your resources? We will not loan you any money until you use all of your resources." It seems to me that that is what most people who are against the Government entering into this partnership say, "you have to use all of your resources just like a business would have to use all of their money." It takes working capital to do the job, and the trouble that we have in the metropolitan areas like Buffalo is the fact that we do not have enough working capital for the next few years to do the job adequately. As a result, children are going to suffer.

Mr. GRIFFIN. Recognizing that and that there is a need, the thing that amazes me is that you think the people of Buffalo would be willing to pay their proportionate share of \$91 million to get back their proportionate share of \$15 million in order to help themselves.

Mr. EWING. You know, it tickles me for you to say that because, if you would give the people a chance to vote on whether they wanted an income tax or not, you might be surprised at what they would do to it. The income-tax structure of the Federal Government is such that nobody asked me whether I wanted to pay an income tax. They never asked me whether I wanted to increase my income tax. As a result, my income tax is now more than my starting salary as a superintendent.

At the time when I could really be saving some money a great part of my salary goes to income tax. Nobody ever asked me whether

I wanted it or not so that, if it amazes you that the man in the street in Buffalo or any person there would want to do what you say, it tickles me because he never has an opportunity to say.

You see, this structure of our Government is such that we need to pool resources. If it was wartime there would be no question about what you would do about some of these problems because in wartime the schools were given the money to train mechanics, to train people. The Government threw in every resource that they could get. We ran our schools in Buffalo 24 hours a day. Now that the war is over we come back to the local support problem again and we do not have the resources that we can place our hands on, but you do have them in the Federal Government.

Whether you give it to us in the form of the 1 percent refund that was talked about here or whatever way you give it to us is, I think, secondary. I think the fact remains that, if you want to beat Russia which a lot of people are talking about, then put education on the same standard that they place it on in Russia. They give it a first priority and what all of us who are out in the field would like to have is a first priority placed upon education.

If you give us help on buildings it means help on salaries because buildings are only a part of the program.

The man who owns a home in most of our communities is getting to the place where it is pretty difficult to pay his income tax and his property tax and sales tax and all the many other taxes. That is the reason why I came down here, not representing anybody in particular except the children of my district whom, I think, represent children of other districts too.

Mr. BAILEY. Might the Chair make the point that the Federal Government is taking approximately 75 percent of the tax take. Right there comes this question on the State of New York having to put up so many more millions of dollars than they are actually going to get out of it.

The answer is that they are putting it up now and it is going for other purposes. What you are asking is that the schools be put on a priority with some of the other activities which are taking that money.

Mr. EWING. That is right and, Mr. Chairman, in placing this on a priority I would like to be assured that the big cities will be taken into consideration in their problems. I do not believe that you should ever pass a bill that would say equalization only. If you equalize the wealth of the country, that is a good theory but in a country like America most of us do not believe in too much equalization. We do not believe in the socialistic formula for dividing everything. We have to do some of these things on the basis of need. Our communities are different as day and night. When you start to applying any kind of a formula for aid, it should not only be on a sparsity factor but a density factor, and a special problems factor as well as wealth.

There are 5 or 6 points that should be considered in any bill that you consider if you are going to be a partner with us in this great job.

Mr. BAILEY. Mr. Gwinn has a question.

Mr. GWINN. Mr. Chairman.

Where do you get this partnership idea? I swear that I cannot get it. You ask for partnership by the Federal Government. Why?

Mr. EWING: There is no greater partnership in the world than we have with our Federal Government, Mr. Congressman.

Mr. GWINN. Do you love government that much that you think it is the greatest thing, that you should be a partner with it?

Mr. EWING. I only have to go back to the days when they formed the Constitution and Thomas Jefferson said, "The hope of America is an intelligent electorate," and he had an idea about education and educated people which has come down through the years.

Mr. GWINN. What was it?

Mr. EWING. What was his idea?

Mr. GWINN. Yes, with regard to the Federal Government's participation in it?

Mr. EWING. He felt that the hope of the Federal Government was an intelligent electorate and, if the Federal Government is interested in educating all the children of all the people, I do not know why that would not be a good partnership.

Mr. GWINN. He did not make that statement, as I remember it.

Mr. EWING. Well, I would be willing to put that to the test.

Mr. GWINN. He referred to government itself as a principle.

Mr. EWING. What statement?

Mr. GWINN. Not the Federal Government.

Mr. EWING. Would you repeat the question?

Mr. GWINN. You have the thought in mind, it seems to me, that Federal Government is the government.

Mr. EWING. No, it is a part. I said local, State, and Federal.

Mr. GWINN. It simply has its job to do to protect our lives and property the same as the State has but on a Federal level. That is all it has. Now, why do you want to make a partnership of it?

Mr. EWING. When they take as much money away as they do from me and other people we want to be a partner with them.

Mr. GWINN. Why do you not come down here and complain about that and help us keep that money back home?

Mr. EWING. I imagine I have done as much complaining as anybody about it, Mr. Congressman.

Mr. GWINN. A third of the income taxes that you refer to go for the socializing program of this Federal Government. That is for powerplants and food subsidies and for Government housing, and for the same things abroad. Have you ever complained about that on behalf of the children of Buffalo?

Mr. EWING. You mean, have I complained as an individual?

Mr. GWINN. Yes.

Mr. EWING. Sure I have complained.

Mr. GWINN. Have you complained about these particular things?

Mr. EWING. Sure.

Mr. GWINN. Now you come down here as an individual. Do you think your school board of Buffalo would approve your petitioning this Congress to appropriate money for the city of Buffalo to help out their schools?

Mr. EWING. Oh, yes, sir.

Mr. GWINN. What?

Mr. EWING. Yes, sir.

Mr. GWINN. Have they ever discussed it?

Mr. EWING. Oh, yes, sir.

Mr. GWINN. Have they discussed it officially?

Mr. EWING. No, but I would be very glad if you would get on the telephone now and call them and ascertain their attitude toward this problem.

Mr. GWINN. That is for the whole city of Buffalo.

Mr. EWING. You said the city of Buffalo. I could not or they could not speak for 600,000 people.

Mr. GWINN. I am talking about the school board as an official body. Would they petition this Congress?

Mr. EWING. I think they would act favorably on the problem that I have presented. I think all that they would have to do would be to know the problem and they would act upon it?

Mr. GWINN. Do they not know the problem?

Mr. EWING. They know that I am here.

Mr. GWINN. Do you come as an appointed official to come here?

Mr. EWING. Not by the board.

Mr. GWINN. Are they paying your expenses here?

Mr. EWING. At the present time I am on my own expenses, sir.

Mr. GWINN. Are you a member or an officer of the National Education Association?

Mr. EWING. I am a member, a life member, sir.

Mr. GWINN. And you participate in the Federal aid discussions in your NEA meetings?

Mr. EWING. I participate in all the business of the NEA, sir. I am very proud to belong to the National Education Association and the American Association of School Administrators.

Mr. GWINN. You do not look upon this schoolhouse construction as a temporary crisis? I take it from your testimony that you are here to impress upon us that irrespective of this crisis and other crises which we have that the Federal Government should be a part of this educational program or participate in it.

You believe in the broader aspect where the Federal Government should come in forever to participate in the education approach?

Mr. EWING. No, sir. I do not say that and would not by any stretch of imagination be caught in that kind of a statement. I am here because I think that at the present time there is need for the Government to be a partner in the problems that we have. Of course the Government has always been a partner. They have supported a vocational program.

Mr. GWINN. I know that old argument.

Mr. EWING. That is not an argument. That is a fact.

Mr. GWINN. Maybe they should not have done so.

Mr. EWING. That is beside the point. They have done so, sir.

Mr. GWINN. That is not an argument for their doing it again if the need is not in Buffalo.

Mr. EWING. Well, the need is in Buffalo, sir.

Mr. GWINN. You have no other resources?

Mr. EWING. We have resources like every community has but whether we should dilute those resources to the point where we would be like a business that would use up all their resources is a problem which I think you should consider very seriously.

Mr. GWINN. You cannot be thinking of the money end of it because the gentleman from Michigan just pointed out that, if this program goes through, New York and Buffalo will be much less able because

of the further drainage of your resources to build your own schoolhouses.

Mr. EWING. I did not understand the gentleman from Michigan to say that. Is that what the gentleman from Michigan said?

Mr. GRIFFIN. I think in effect that is what it means. If we are going to pay an additional \$600 million into the Federal Treasury in order to enable the Federal Treasury to administer the Kelley bill, New York is going to pay \$91 million of that to get back \$15 million.

Mr. BAILEY. Let the Chair interrupt.

Nobody said anything about paying \$15 million additional. You have a surplus of \$2 billion. They are asking you to participate in that along with some other groups. You are not going to pay additional taxes.

Mr. GRIFFIN. If we are not cutting the taxes; that is \$600 million that we could refund to the taxpayers.

Mr. BAILEY. They are taking it anyway.

Mr. GRIFFIN. Then you have a question of which we should do. If you add \$600 million a year to the tax burden, that is just that much more money you are going to have to pay to the Federal Government next year that you had not paid last year.

Mr. EWING. I am not conceding that we are adding it.

Mr. BAILEY. No new taxes are contemplated.

Mr. EWING. I am not conceding that we are going to have to put another \$600 million on top of it.

Mr. GWINN. If you do not vote Federal aid to education you will have \$600 million less burden on the States than you would have if you voted \$600 million; will you not?

Mr. EWING. Not the way I have watched the Federal budget work, sir.

Mr. BAILEY. They take it and give it to a road program and flood-control projects and irrigation projects and everything else, and forget about schools.

Mr. EWING. I think this gets into a philosophical matter because you can take figures and do anything with them. Statistics are very interesting things. My father once said that figures never lie but liars figure, and I think that, regardless of whether it is me or someone else, you could take all kinds of statistics and prove all kinds of things but this gets into somewhat of a philosophical problem, I think, at this point.

Mr. GWINN. Let me ask you one question, Mr. Ewing. Yours is the first school district that I know of that has petitioned Congress to help you out. You come from the great city of Buffalo.

Mr. EWING. I think you are putting words in my mouth, sir. I came down here to give you a point of view. I did not come down to petition you. I have no petition. I have no written form to give you. I came down to present a point of view because I think I probably am one of the first superintendents that has testified. You have been having most everyone testify except the people who are working directly with the children.

Is that not true?

Mr. GWINN. I am glad you protest that.

Mr. EWING. I am here because I feel that you should talk to someone who knows that there is a very serious need in the housing problems,

not only for new buildings but for rehabilitation and replacement of old buildings and equipment. It is a very serious need and it cannot be laughed off.

Mr. GWINN. How do you think the United States Office of Education sitting down here in Washington can ascertain the exact needs of 51,000 school districts across this Nation?

Mr. EWING. I think they have the facilities to do a pretty good job. I would like to add that I was one of those superintendents who filled out a form for the State department of education which was transmitted to the Federal Department. I would say, sir, that it was the most accurate program that could be determined. We have a research department which makes a very detailed study of our population trend and our needs, and at no time did we ever pad it. It was a true statement and I would guess that all the colleagues that I have ever worked with would do the same thing. I think it is a bad statement for anyone to doubt the word of people who are as interested in children as we are when we project the needs of those children.

Mr. GWINN. Now, do you know how many school superintendents in the State of New York filled out that questionnaire? That was a postcard you got, was it not?

Mr. EWING. No, sir.

Mr. GWINN. A questionnaire?

Mr. EWING. Ours was a regular form submitted by the commissioner of education.

Mr. GWINN. Do you know that the State of New York did not answer that questionnaire?

Mr. EWING. Well, I am not speaking for the commissioner, sir.

Mr. GWINN. Do you know how many school superintendents did not answer that questionnaire?

Mr. EWING. Sir, you are asking me questions that you know I cannot answer.

Mr. GWINN. I know that, but you are generalizing.

Mr. EWING. I say you are asking me questions that you know I cannot answer.

Mr. GWINN. Then the Federal Government did not get these answers or any answers back from the State of New York and does not have any data on the State of New York that is very reliable.

Mr. EWING. I know that the State of New York has the best set of figures on needs of any State of the Union. If they did not submit them, it would be up to New York to explain that.

Mr. BAILEY. The Chair would like to get into the argument by saying that we do have testimony taken 2 years ago from the State of New York and we will have a presentation of the situation from New York for the record at this hearing.

Now, the Chair must insist that we bring this session to a close.

The committee will be in recess until 2:15.

(Whereupon, at 12:25 p. m., a recess was taken until 2:15 p. m., of this same day.)

#### AFTERNOON SESSION

The subcommittee reconvened at 2:15 p. m., upon the expiration of the recess.

Mr. BAILEY. The subcommittee will be in order.



We will resume where we left off with the testimony of the representative of the Investment Bankers Association.

May I suggest to the gentleman, if you will continue your formal presentation until you are through, I will see that nobody interrupts you.

Mr. GWINN. Including the chairman.

Mr. BAILEY. Well, I will not go that far.

You just proceed and I will see that nobody stops you.

# **STATEMENTS OF WILLIAM M. ADAMS, FRANK MORRIS, AND GORDON CALVERT—Resumed**

Mr. ADAMS. Thank you, sir.

There are admittedly some poor school districts which find it difficult to finance construction of needed classrooms, but this problem can be remedied by State aid—as it is in many States—or by consolidating school districts to include poor districts in a larger district.

There are also school districts which have reached the maximum permissible bonded indebtedness under constitutional or statutory debt limitations, but these limitations can be changed and in many cases the problem can be resolved simply by more realistic assessment of property values without any statutory or constitutional amendment.

The volume of classroom construction completed in recent years and the completed and authorized financing for additional construction shows that the difficulties encountered by States and local districts in school financing can be overcome without Federal financial assistance.

Perhaps the simplest and best illustration of the fact that States have the capacity to finance the construction of schools is in the very high ratio of per capita income in each State to per capita State debt.

Figures published by the United States Department of Commerce indicate that in 1955 the total State debt, per capita State debt, and per capita income in each of the States, was as follows:

With your permission I am not going to read this page of figures. At that point I would like to say that we used the Department of Commerce figures which are available to everyone.

(The figures referred to are as follows:)

State	Total debt (end of fiscal year 1955)	Per capita debt (end of fiscal year 1955)	Per capita income (1955 calendar year)
Alabama.....	\$78,920,000	\$27.16	\$1,181
Arizona.....	4,418,000	4.32	1,577
Arkansas.....	118,388,000	65.70	1,062
California.....	860,302,000	69.89	2,271
Colorado.....	53,471,000	16.17	1,764
Connecticut.....	261,745,000	161.20	2,492
Delaware.....	127,095,000	328.12	2,613
Florida.....	85,758,000	21.93	1,654
Georgia.....	232,819,000	63.58	1,333
Idaho.....	2,319,000	3.84	1,442
Illinois.....	305,726,000	32.87	2,257
Indiana.....	320,653,000	74.07	1,404
Iowa.....	26,108,000	10.90	1,677
Kansas.....	173,178,000	84.06	1,617
Kentucky.....	66,980,000	22.91	1,288
Louisiana.....	220,333,000	78.17	1,333
Maine.....	117,033,000	129.18	1,693
Maryland.....	461,597,000	168.22	1,991
Massachusetts.....	871,233,000	172.66	2,027
Michigan.....	518,293,000	70.75	2,134
Minnesota.....	51,308,000	26.43	1,601
Mississippi.....	90,971,000	42.65	946
Missouri.....	10,945,000	2.61	1,800
Montana.....	43,383,000	68.97	1,814
Nebraska.....	3,408,000	2.44	1,840
Nevada.....	1,428,000	6.08	2,434
New Hampshire.....	42,273,000	79.44	1,732
New Jersey.....	837,330,000	161.03	2,311
New Mexico.....	28,411,000	35.67	1,430
New York.....	1,631,978,000	95.81	2,293
North Carolina.....	246,583,000	68.37	1,296
North Dakota.....	21,848,000	33.98	1,244
Ohio.....	497,443,000	55.61	2,062
Oklahoma.....	194,341,000	87.95	1,506
Oregon.....	177,769,000	105.60	1,834
Pennsylvania.....	1,203,249,000	110.41	1,902
Rhode Island.....	64,917,000	79.46	1,987
South Carolina.....	208,481,000	90.33	1,108
South Dakota.....	198,000	.29	1,245
Tennessee.....	116,161,000	34.02	1,266
Texas.....	189,339,000	15.93	1,614
Utah.....	4,813,000	8.06	1,553
Vermont.....	7,531,000	20.35	1,535
Virginia.....	111,633,000	31.19	1,535
Washington.....	232,867,000	89.22	1,987
West Virginia.....	280,914,000	141.59	1,288
Wisconsin.....	4,714,000	1.27	1,774
Wyoming.....	3,783,000	12.13	1,753

Mr. ADAMS. I have here a national service which is well known in the investment field, put out as of January 15, 1957, which shows the general obligation bonds and the revenue bonds of the various States, and then carries a figure showing combined debt per capita of each State and all municipalities within that State, and then a ratio of that debt to income.

We feel in our business that the ratio of debt service to income within a State is about as good a measurement of its ability to pay as you can find.

With your permission I should like to include this with the report, if you wish. In any event, the figures are up to date and, I believe, quite reliable.

Mr. BAILEY. Could they be on one page of the report?

Mr. ADAMS. They are on one page here.

Mr. BAILEY. No objection. They will be received and included as part of the record.

(The material referred to is as follows:)

*General obligations of States, Territories, and Provinces*

	Mini- mum rating	Population	Per capita income	Gross general obligational debt	Net general obligational debt	Net debt payable from State revenues, amount	Per capita	Combina- tion debt per capita	Standar & Poor index (percent)
<b>STATES</b>									
Alabama.....	A1	3,033,000	\$1,091,000	\$53,720,000	\$39,502,000	\$54,503,000	\$18	\$39	9.1
Arizona.....		980,000	1,582,000	245,000	245,000	245,000	2	119	7.5
Arkansas.....	A	1,789,000	979,000	99,108,000	92,158,000	92,158,000	52	115	11.7
California.....	A1+	13,322,000	2,162,000	978,751,000	427,504,000	427,504,000	32	172	8.0
Colorado.....		1,549,000	1,680,000			10,259,000	7	154	9.1
Connecticut.....	A1+	2,241,000	2,361,000	284,970,000	243,956,000	243,956,000	109	244	10.3
Delaware.....	A1	387,000	2,372,000	104,424,000	104,424,000	104,424,000	289	378	15.9
Florida.....		1,452,000	1,610,000			167,674,000	46	203	12.6
Georgia.....		3,621,000	1,237,000			236,587,000	65	168	12.6
Idaho.....		609,000	1,433,000				0	94	6.6
Illinois.....	A1+	9,361,000	2,155,000	279,985,000	251,468,000	257,534,000	28	143	6.9
Indiana.....	A1+	4,330,000	1,834,000			2,082,000	5	86	2.7
Iowa.....		2,892,000	1,667,000	24,305,000	24,305,000	24,305,000	9	112	6.7
Kansas.....		2,080,000	1,698,000				0	143	8.4
Kentucky.....		3,006,000	1,216,000			4,745,000	2	98	7.5
Louisiana.....	A	2,927,000	1,302,000	153,408,000	120,980,000	172,232,000	58	208	16.1
Maine.....	A1+	940,000	1,492,000	36,270,000	32,700,000	36,701,000	38	75	3.8
Maryland.....	A1+	2,699,000	1,940,000	173,811,000	169,354,000	323,516,000	125	118	16.4
Massachusetts.....	A1+	3,050,000	1,835,000	731,715,000	394,369,000	712,947,000	115	180	12.5
Michigan.....	A1+	7,236,000	2,107,000	248,111,000	248,111,000	371,661,000	51	170	7.6
Minnesota.....	A1	3,180,000	1,644,000	92,087,000	69,064,000	69,064,000	15	171	9.2
Mississippi.....	A	2,111,000	873,000	1,500,000	1,500,000	69,627,000	11	158	18.1
Missouri.....	A1+	4,128,000	1,747,000	6,300,000	6,300,000	6,300,000	15	106	6.1
Montana.....	A1	633,000	1,729,000	8,300,000	6,987,000	31,259,000	11	141	8.2
Nebraska.....		1,381,000	1,685,000				0	9	5.4
Nevada.....		225,000	2,414,000	1,429,000	1,429,000	1,429,000	6	146	6.0
New Hampshire.....	A1+	557,000	1,805,000	57,830,000	21,240,000	27,260,000	49	96	8.2
New Jersey.....	A1+	5,420,000	2,219,000	119,735,000	119,735,000	119,735,000	22	160	7.2
New Mexico.....	A1	795,000	1,267,000	6,700,000	6,700,000	23,856,000	30	7	5.0
New York.....	A1+	16,124,000	2,163,000	880,548,000	699,645,000	699,645,000	43	173	12.8
North Carolina.....	A1	4,285,000	1,190,000	291,846,000	244,980,000	244,980,000	58	125	11.3
North Dakota.....	A1+	642,000	1,198,000	13,979,000	0	0	0	36	3.0
Ohio.....	A1+	8,906,000	1,983,000	114,851,000	114,851,000	196,851,000	22	129	6.5
Oklahoma.....	A1	2,168,000	1,468,000	42,316,000	41,433,000	41,433,000	19	105	7.2
Oregon.....	A1	1,689,000	1,757,000	174,319,000	118,088,000	118,088,000	71	174	9.6
Pennsylvania.....	A1+	11,156,000	1,785,000	382,930,000	375,210,000	690,110,000	62	190	10.6
Rhode Island.....	A1	858,000	1,823,000	66,417,000	46,660,000	46,660,000	54	221	12.1
South Carolina.....	A1	2,283,000	1,063,000	169,255,000	158,439,000	158,470,000	70	131	12.4
South Dakota.....		677,000	1,332,000				0	26	1.9
Tennessee.....	A1	3,417,000	1,212,000	111,225,000	108,851,000	108,851,000	31	86	7.8
Texas.....	A1+	8,563,000	1,574,000	119,942,000		25,931,000	30	121	11.3
Utah.....		781,000	1,483,000				0	49	4.3

## General obligations of States, Territories, and Provinces—Continued

	Minimum rating	Population	Per capita income	Gross general obligational debt	Net general obligational debt	Net debt payable from State revenues, amount	Per capita	Combination debt per capita	Standard & Poor index (percent)
<b>STATES</b>									
Vermont.....	A1+	282,000	\$1,408,000	\$14,282,000	\$14,282,000	\$14,387,000	50.3	88.33	11.1
Virginia.....	A1+	1,579,000	1,480,000	10,016,000	5,121,000	5,121,000	3.3	123.15	11.1
Washington.....	A1	2,570,000	1,940,000	55,058,000	55,058,000	177,040,000	68.1	123.15	11.1
West Virginia.....	A1	2,082,000	1,232,000	78,022,000	78,235,000	124,123,000	59.2	123.15	11.1
Wisconsin.....		2,084,000	1,708,000						
Wyoming.....		205,000	1,775,000			1,288,000	6.1		11.1
<b>TERRITORIES</b>									
Alaska.....		260,000	1,530,000				0	88.11	11.1
Hawaii.....	A1	488,000	1,444,000	71,473,000	48,098,000	67,168,000	13.1		11.1
Puerto Rico.....	A	2,280,000	348,000	54,228,000	42,300,000	42,300,000	18.1		11.1
<b>PROVINCES</b>									
Alberta.....	A1	1,087,000	1,102,000	91,782,000	21,782,000	28,479,000	26.1	111.1	11.1
British Columbia.....	A1	1,305,000	1,127,000	212,780,000	128,980,000	201,621,000	151.1	111.1	11.1
Manitoba.....	A1	838,000	1,055,000	177,973,000	140,425,000	140,425,000	161.1	111.1	11.1
New Brunswick.....	B1+	534,000	680,000	220,812,000	174,498,000	183,365,000	341.1	111.1	11.1
Newfoundland.....	B1+	405,000	562,000	15,000,000	13,172,000	17,515,000	42.1	111.1	11.1
Nova Scotia.....	A	674,000	816,000	208,494,000	181,571,000	181,571,000	271.1	111.1	11.1
Ontario.....	A1	5,122,000	1,282,000	1,013,131,000	86,237,000	869,111,000	161.1	111.1	11.1
Prince Edward Island.....	B1+	105,000	585,000	19,850,000	14,228,000	14,730,000	14.1	111.1	11.1
Quebec.....	A1	4,482,000	923,000	479,448,000	363,851,000	417,525,000	92.1	111.1	11.1
Saskatchewan.....	A	891,000	1,030,000	215,288,000	72,121,000	72,121,000	81.1	111.1	11.1

Mr. ADAMS. I did not intend to make any effort to boost anybody's service by any chance, and I had not identified it for that reason. If you feel that is desirable, I will do so.

Mr. UDALL. I think we ought to have the source of the information, Mr. Chairman.

Mr. ADAMS. This is the bond selector by Standard & Poor's. It is dated January 15, 1957. The page number is 32.

Mr. BAILEY. That will be recorded.

Mr. ADAMS. The figures in my statement from the Department of Commerce, showing 1955 State debt, per capita State debt and per capita income in each State, demonstrate clearly that every State has the financial capacity to finance school construction through the issuance of State bonds. In only one State—Delaware, which has the highest per capita income of all States—is the ratio of per capita income to per capita State debt lower than 9 to 1—in Delaware it is about  $7\frac{1}{2}$  to 1—and in many States the State debt is negligible. When you include the overall figure of debt for States and their political subdivisions which is shown in the Standard and Poor's service, it does not put Delaware in such an undesirable light.

These figures from the Department of Commerce again are only the direct debt and the revenue debt of the States themselves, while the other figures from Standard and Poor's include all debts of the States and their political subdivisions.

States are rapidly providing financial assistance to needy local educational agencies. For example, in the three States which are estimated to need the greatest number of classrooms for excess enrollment and replacement of unsatisfactory facilities—Alabama, California, and Pennsylvania:

In Alabama, a legislative subcommittee within the past 2 weeks has proposed that at the forthcoming session of the Alabama legislature—

(i) a constitutional amendment be adopted to allow voters of any county or school district to tax themselves an additional 5 mills ad valorem tax for school purposes; and

(ii) a \$35 million State bond issue be authorized for elementary and secondary school buildings.

In Pennsylvania, in the period from mid-1952 through January 31, 1957, \$100 million of general-obligation school-building bonds were issued and \$792 million of revenue bonds were issued under the Pennsylvania School Authority program.

In California, \$632 million of general-obligation bonds of the State have been authorized under the State school-building aid program to help all qualifying school districts which have reached their maximum debt limit, and \$185 million of these bonds have still not been sold.

An additional issue of \$150 million is presently before the State legislature in a proposed constitutional amendment. The estimates indicate that 10,000 classroom scheduled for completion during the present school year, 1956-57, will supply the 10,000 classrooms estimated to be needed for excess enrollment and replacement.

We feel very strongly that every child should receive a good education in adequate facilities. We recognize that there may be some diversity of policy and lack of uniformity in standards in the type of education and facilities provided by State and local educational agencies, but we believe very strongly that one of the primary con-

siderations to be weighed carefully before any general program of Federal financial aid to education is authorized was stated succinctly by the Commission on Intergovernmental Relations in its report in 1955 as follows:

The preservation and strengthening of our Federal system depend in the last analysis on the self-restraining and responsibility, as well as the wisdom of our actions as citizens. If we are not willing to leave some room for diversity of policy, to tolerate some lack of uniformity in standards, even in many matters which are of national concern and about which we may feel strongly, the essence of federalism, even if not the legal fiction, will have been lost.

We must also realize that it can be lost, or its vitality sapped, by nonuse of State and local initiative as well as by overuse of national authority. We have, therefore, as citizens, a responsibility to see to it that those legitimate needs of society that could be met by timely State and local action do not by default have to be met by the National Government.

The States and local educational agencies have not defaulted in their responsibility to furnish educational facilities, but, on the contrary, the facts show that they are vigorously providing the needed classrooms and have the financial capacity and willingness to furnish additional classrooms.

At a time when much attention is directed to the problem of cutting the Federal budget and eliminating unnecessary Federal expenditures, the figures above with respect to the capacity and willingness of the States and local educational agencies to finance the construction of needed classrooms provides strong support for the conclusion that the Federal Government should not now adopt a new program with the accompanying expenditure of billions of dollars to interject itself into a function which has been recognized for over 150 years as the responsibility of the States and local agencies.

8. If it is concluded that a program of Federal aid to education is necessary that aid—

(a) Could be provided most effectively through a program of Federal grants-in-aid, requiring the State or local agency to furnish matching funds; and

(b) Should not be provided through Federal loans.

If, after considering the need for additional classrooms and the capacity of States and local educational agencies to finance the construction of those classrooms, the subcommittee concludes that there is a need for Federal financial assistance, we believe that the simplest and most effective financial aid by the Federal Government could be provided by grants on the basis of need, with a requirement that the State or the local educational agency provide matching funds.

We believe that the funds for such Federal grants should be allocated among the States according to the number of children in the State and the financial inability of the State to meet school needs.

If a local educational agency were actually in serious financial difficulty it would require assistance toward the capital amount involved and this type of assistance would be provided only through a grant-in-aid.

The saving in interest cost from a Federal loan at a lower interest rate than would be paid in the private market would not ordinarily provide sufficient financial assistance to enable a local educational agency to finance school construction which it could not finance at the interest rate paid in the private market.

If an educational agency can afford the capital amount involved, at the interest rate required, on the proposed Federal loans, it generally can afford the additional amount of interest required in the private market.

Federal loans, such as would be authorized under H. R. 1, H. R. 3976, and H. R. 3986, would not ordinarily provide additional school financing but would simply substitute Federal loans for loans from private sources.

If the loan provisions in title II of H. R. 3976 and H. R. 3986 had been in effect in the fourth quarter of 1956, the Federal Government would have been authorized to purchase bonds of local educational agencies which could not be sold in the private market at 3¾ percent.

During that quarter approximately \$188 million of the total \$434,896,000 school bonds sold—that is, about 43 percent—were sold at a net interest cost above 3¾ percent and would have been sold to the Federal Government if the proposed loan program had been in effect.

Mr. BAILEY. I would like to interrupt the gentleman, not to ask a question, but would you read that paragraph again? The gentlemen were not paying particular attention. I particularly want them to hear this.

Mr. ADAMS (reading):

If the loan provisions in title II of H. R. 3976 and H. R. 3986 had been in effect in the fourth quarter of 1956, the Federal Government would have been authorized to purchase bonds of local educational agencies which could not be sold in the private market at 3¾ percent. During that quarter, approximately \$188 million of the total \$434,000,000 school bonds sold—i. e., about 43 percent—were sold at a net interest cost above 3¾ percent and would have been sold to the Federal Government if the proposed loan program had been in effect.

Mr. HASKELL. There is a limitation on the money available, of course. You are assuming that Government took up all the bonds and had appropriated the funds to purchase those bonds?

Mr. BAILEY. Mr. Folsom, as Secretary of Health, Education, and Welfare, estimated that not more than 10 percent of the bonds placed on the market would be sold to the Government.

I questioned it. This figure you are giving me is that approximately 43 percent of them would have been.

Mr. HASKELL. He did not say that. He said his objective in setting this differential of one-half of 1 percent would be to try to aim at only having 10 percent of the bonds of the districts that have high enough rates to where they would use the Government bond money.

This admittedly, I think, is the result of the bond interest rate going up. It is not what would have happened but this was his objective. He would like to have had it hit 10 percent of the most needy districts. This is what was his objective.

Mr. BAILEY. The gentleman's testimony just quoted now would indicate that had this law been in effect in which the Government would require 3¾ percent interest, that is the rate would be 3.7 percent interest before the Government would buy them, that 43 percent of the \$434 million would have been offered to the Government, and I said the amount of money available in the Government's fund was wholly inadequate.

Mr. HASKELL. To cover on that interest basis, but you see, the purpose of having that differential is to eliminate some of the bonds of the districts that can sell their bonds without an excessive interest rate.

Mr. BAILEY. I understand that, but grant that we give the differentials that we give the one-half of 1 percent above the going rate, the sale would be at 3.7 and here 43 percent of all the bonds that were sold were above 3¾ percent.

Mr. HASKELL. Which would advance the argument for raising the differential from one-half of 1 percent to 1 percent?

Mr. BAILEY. That all depends on whether you wanted to assist the school board or not assist them.

Mr. HASKELL. The purpose of the differential is not to raise the interest rate.

The purpose of the differential is to eliminate all but 10 percent of the most needy districts.

I suggested to the Secretary, I question whether you can set this differential based on an everchanging bond market, because recognizing that when you pass the law at a certain given differential that fits the situation at the time, say to aim at 10 percent of the districts, you are immediately going to be out of whack when the bond market changes.

I was wondering if we could fit into something whereby he could attain his objective of only having Federal assistance to roughly 10 percent of the districts which admittedly was his objective.

Do you understand?

Mr. ADAMS. Yes, I do. We don't feel that when these school districts can sell their bonds in the public market, that there is any need for Federal Government to buy the bonds. Because there happens to be, let us say, a mere ten-hundredths or an eighth of 1 percent spread that is not a saving that would warrant the additional expense and effort involved in having the Government come in and survey the situation and decide that they would buy a given amount of bonds.

Mr. HASKELL. Let us say they could not sell their bonds except at 8 percent to use an extreme example. If the Government made it possible for them to sell at one-half of 1 percent above this, it would help the district do it themselves as opposed to going to the State.

Mr. ADAMS. We believe very definitely that anybody that would have to pay a ridiculous rate of interest certainly are so needy that they should have a grant rather than a loan.

Mr. HASKELL. That is your thought.

Mr. ADAMS. That is what I say.

Mr. HASKELL. And the Secretary disagrees.

Mr. BAILEY. You may proceed.

Mr. ADAMS. During the present quarter the Federal Government would be authorized to purchase school bonds which could not be sold in the private market at 3¾ percent. Our statistical information indicates that approximately \$62 million of the total \$250,510,000 of school bonds sold during January—i. e., about 25 percent were sold at a net interest cost in an excess of 3¾ percent and would have been sold to the Federal Government if the proposed loan program had been in effect.

The effect of the proposed Federal loan program is focused even more forcefully in my State, Michigan. Over \$26 million of about \$20,600,000 Michigan school bonds sold during the fourth quarter of 1956—i. e., about 88 percent—and over \$10,973,000 of about \$17,693,000 Michigan school bonds sold during January 1957—i. e., about 96 per-



cent—would have been sold to the Federal Government if the proposed loan program in title II of H. R. 3976 and H. R. 3986 had been in effect.

Mr. GWINN. I have a question there, Mr. Chairman. What does that mean in terms of adequacy of the bond purchasing program? What does it limit the funds? That would mean maybe 60 or 70 percent of the districts would be disappointed and the others that just happened to be selected for the Government financing would get the benefit.

Where is that going to end up?

Mr. ADAMS. It certainly would slow up the entire program because I can believe that in Michigan you would have found scores of districts that would have delayed their financing in the hopes that the Federal Government would do the financing for them.

I might add at this time and I will not go into detail because you will hear Mr. Schimmel, who is thoroughly familiar with the Michigan situation and I understand intends to speak specifically on it, but just 2 years ago in April we voted a new constitutional amendment which has opened up the method of financing any school district in the State of Michigan that needs to borrow school moneys.

Now, as a result of that you have a veritable flood of Michigan school financing which should have been done before because the State had not reached the point of providing for it. That is why undoubtedly the rates were so much higher in Michigan.

It is not because the credit is so much poorer, but simply because of the volume of bonds to be absorbed in a given period of time.

So most of your loans would have gone in Michigan, let us say, under those circumstances.

Mr. GWINN. They might never have gotten out of Michigan with Federal funds.

Mr. ADAMS. If the provision in title II of H. R. 1 had been in effect—authorizing Federal loans at an interest rate based on the yield on long-term obligations of the Federal Government plus three-eighths of 1 percent—instead of plus one-half of 1 percent as provided in H. R. 3976 and H. R. 3986—the percentage of school bonds purchased by the Federal Government during the fourth quarter of 1956 and January of 1957 would have been substantially higher than the percentages stated above.

During the fourth quarter of 1956, when 623 issues of school bonds aggregating \$484,006,000 were sold, there were only 14 issues of school bonds advertised for sale on which no bids were received—i. e., about 2.2 percent of the issues. On the 14 issues on which no bids were received, the advertisement for bids on 13 issues specified that the bid must have an interest cost not above specified amounts which were out of line with prevailing interest rates at the time for the issuers involved, and the other issue is reported to have been sold privately.

We gave you the details of that prior to luncheon.

The facts summarized above demonstrate that the proposed Federal loan program would generally not provide additional school financing, but would simply substitute Federal loans for loans from private sources.

If the proposed Federal loan program had been in effect, the purchase by the Federal Government of 43 percent of all school bonds

sold in the fourth quarter of 1936—including about 88 percent of the Michigan school bonds sold—simply would have permitted the Federal Government to purchase school bonds which were sold in the private market, which would provide no additional school financing.

Consequently, a Federal loan program is not the answer for supplying financing of additional needed classrooms and a Federal loan program would be contrary to the announced principle of providing Federal aid to education only where the needed financing is not available from other sources.

Furthermore, it is important to note that where a State or local educational agency is confronted with a constitutional or statutory debt limitation, a loan from the Federal Government provides no assistance because bonds of a State or local educational agency purchased by the Federal Government are subject to statutory and constitutional debt limitations just as are such bonds sold in the private market.

On the other hand, Federal grants to States and local educational agencies would provide funds outside debt limitations.

While interest rates are presently higher than they have been for many years, partially as a result of credit restraint policies of the Federal Reserve Board, it is apparent from the volume of school financing during the recent and present period of tight money that present interest rates do not prevent school financing.

A few issuers of school bonds have postponed sale of their bonds to see if lower interest rates are forthcoming; but we would emphasize that such postponements do not indicate that it was impossible to sell the bonds or to finance the construction at prevailing interest rates, because at any point in the market there are always issuers who upon their personal appraisal of market conditions conclude to wait to see if interest rates will drop, as did Connecticut last year with their large issue and they have not yet sold them. That was a road issue as we mentioned earlier.

In connection with prevailing interest rates, while we do not propose to discuss statements that a program of Federal aid to education would cause further inflation generally and in school construction costs, we submit that it would be unfortunate if the credit restraint policy of Federal financial authorities contributing to higher interest rates were used as a fundamental reason for initiating a program whereunder the Federal Government would provide loans at a lower rate of interest than the funds could otherwise be obtained in the private market.

This is particularly true where it has been abundantly demonstrated that the needed funds can be obtained and financed at the prevailing interest rate.

Finally, it seems apparent to anyone attempting to analyze the financial assistance that would be provided through a multiplicity of programs involving grants, loans, and credit assistance that there would likely be much unnecessary confusion among the various programs. If there is an immediate need for financial aid to education for the construction of elementary and secondary schools—

(a) A program of Federal grants to needy States and educational agencies, with an incentive requirement for matching funds, without any alternative type of Federal financial assistance

through loans, would provide assistance most simply and effectively.

(b) A Federal loan program should not be included because it would simply substitute Federal loans for loans from private sources.

There is strong support for these conclusions among the advocates of Federal aid to education because many of the bills introduced in the House this year to provide Federal aid to education have embodied a single program for Federal grants, with a requirement for matching funds, without additional programs of loans or credit assistance—H. R. 859, H. R. 1107, H. R. 1120, H. R. 1946, H. R. 3080, and H. R. 3523.

We appreciate very much the opportunity to submit the foregoing suggestions to the subcommittee.

I thank you.

Mr. BAILEY. I have a few questions at this point that occurred to me as you testified.

You speak of the ability of the several States to handle the financing within the State. I think you were quoting more particularly from the Intergovernmental Commission report.

Mr. ADAMS. Yes, sir; and also my observation of State credit.

Mr. BAILEY. As a former State director of the budget in the State of West Virginia, I budgeted all the 1915 school-board budgets and controlled them. I have to remind the gentlemen that in one county in particular, in the mountainous section of the State, the Federal Government's own 54 percent of the acreage in the county which is not subject to taxation, the State supplies \$2.00 out of every \$100 that it costs for education.

You spoke about their ability to use their bonded authority. That district could not bond itself for sufficient money to build a good school, to say nothing about a high school.

While we are discussing that, let me give you another example. In Monongalia County, which is a county of some twenty or twenty-five thousand population, the seat of the State university, there they have exhausted all of their bonding authority and all of their special extra levy above the normal levy fixed by the constitution. They are still in need of school buildings.

Under the legislation, as I see it, with the possible exception of, if the Federal Government made a flat grant-in-aid on a matching basis and required the State to make an appropriation, that school district then would have the benefit of its share of the State appropriation to match Federal moneys for added construction.

Outside of that, there is no relief to those districts that have no present capacity to help themselves. Would you comment on those two extremes?

Mr. ADAMS. I want to say at the outset that I am not familiar in detail with the various credits of the State of West Virginia. But I would like to say this:

In my experience in the business, the State of West Virginia, I am very happy to say, in our opinion, is one State that has gone, I can't say the farthest, but has gone, shall we say, quite far in looking after the subdivisions of that State from the standpoint of financing.

I am proud to say I cannot name one single default that ever occurred in the State of West Virginia during all the years I have been

in the investment business and that includes the years of the great depression.

Now, the State has unusually fine credit today. It is only just one notch below the top in credit rating. I feel with its credit standing that that State is able and capable of providing, for the local units within the State.

Mr. BAILEY. May I say to the gentleman along about 1932, when we were in the depths of the depression, the State had wisely a few years earlier, set up a clearinghouse in which we set up a sinking fund commission, the State sinking fund commission, that handled every bond issue in the State, whether it be State bonds, county bonds, school bonds, or municipal bonds. They are all cleared through that central agency. They are all sold and financed, processed, through there to the point where we had a sufficient reserve on hand in the sinking fund to protect every issue that the State of West Virginia had out during the depression period.

We are one of three States that never defaulted on a single bond issue during the depression, too.

Mr. ADAMS. Mr. Bailey, if I said once in my years in this business, I have said it a hundred times, that the State of West Virginia shows what can be done as a State towards the supervision and financing of its local units. I am proud to say that we think very highly of your State as an example of that type of thing.

It is interesting to note here that the State of West Virginia, quoting from this Standard & Poor's, shows a relationship of—now, this is overall debt to income—of 6.4 percent.

Now, to give you something to compare that with, I have already mentioned the State of Delaware where that is 16.9 percent.

In other words, the burden of debt related to income in the State of Delaware is very much higher than it is in the State of West Virginia, over twice, as a matter of fact.

Now, the State of Delaware, I don't believe anyone would contradict, has a very fine credit. As a matter of fact, it has the same rating by this service as the State of West Virginia.

I feel that West Virginia has and should be proud of the fact that they have earned that credit rating.

Mr. BAILEY. If I recall from my memory, I believe Arizona, West Virginia, and Delaware were the three States that did not default as I recall, in the depression.

Mr. ADAMS. You are speaking now of the State and its subdivisions?

Mr. BAILEY. That is right, not any defaults permitted anywhere in the State.

Mr. ADAMS. I wish I could corroborate your statement, and I am certainly ashamed I can't. I certainly accept it.

Mr. BAILEY. I might add, since the gentleman was discussing West Virginia, that during the depression period beginning in 1932 for a period of 8 years in 1941, I was assistant State auditor. That was prior to the setting up of our budgetary system in West Virginia, and most of those functions fell on the auditor's office as comptroller of the currency.

I recall that during the depression we were on the point of defaulting on about \$3 million worth of bonds due one of the banks in New York. It was due the 15th of December.

I took it upon myself to make a trip around the several counties in the State that owed the State some taxes that had not been paid and the State owed them certain taxes, public utility taxes, they had not distributed. I traded around in an effort to get enough money to meet that long requirement to protect West Virginia's excellent record of never permitting a single default.

I broke the law and probably could have been sent to the penitentiary for doing it, but at least we protected West Virginia's credit.

Mr. ADAMS. It certainly did that, sir.

Mr. BAILEY. Now, Mr. Gwinn, do you have any questions? I think he has concluded his formal statement.

By the way, Mr. Gwinn, I have a couple more notes marked down here and then I will turn the witness over to you.

I think you mentioned the State of Alabama, one of the needier States.

You also mentioned the State of California. That situation out there in California is somewhat different from most of the other States along with their school system of elementary and secondary schools, they also finance out of that same fund a series of junior colleges.

Mr. ADAMS. That is correct.

Mr. BAILEY. I did not know whether you were acquainted with that situation.

Mr. ADAMS. Yes.

Mr. BAILEY. There the State is issuing or did issue about a hundred million dollars worth of bonds that helped the needy counties, and they do have needy counties.

Mr. ADAMS. That is correct.

Mr. BAILEY. A few days ago two of the members of the Los Angeles School Board testified here and much to my surprise stated that they had a terrifically bad situation in the way of overcrowding and double-session schools.

The independent district of Los Angeles was having to put up money to pay their share of the overall State bonding system and still take care of their own situation without any assistance from the State. I believe that was the testimony.

Mr. GWINN. I did not hear that testimony.

Mr. ADAMS. I would not be surprised that that is correct, because the city of Los Angeles does not have a double AA rating, which is the rating next to the top.

Mr. BAILEY. But they do have a bad situation in shortage of classrooms because of the overcrowded condition. When I was there, 6 years ago, they had, I believe, 154,000 going to double sessions. That has been cut down considerably, but they still have a lot of double-session schools.

Mr. ADAMS. The figures that we had there state that California is building a number of classrooms which they state they need, which is 10,000 classrooms. That was one of the few States that are.

Mr. BAILEY. They are doing very well at the present time?

Mr. ADAMS. Yes.

Mr. BAILEY. I was surprised at the situation.

Why did you not quote anything from the White House Conference instead of quoting some of the findings of the Intergovernmental

Commission? You know, they had a conference over at the White House that was fairly representative, I expect more representative of the cross-section thinking of the people than your intergovernmental group because it was probably packed and prejudiced.

But this seemed to be more or less an open house affair at the White House. They came up with a finding in favor of building schools.

I just wondered why you did not quote from them.

Mr. ADAMS. Well, Mr. Bailey, our feeling was that the States, as I have said, can meet the need.

Mr. BAILEY. I do not want you to rest with that line because I just convinced you that there were counties back in the State of West Virginia where I don't know how the State can help, unless it changed the constitution. They can do it in the way of teachers' salaries, but when they get in the field of construction and capital outlay, they run into difficulty.

I don't know whether they could handle the situation.

Mr. ADAMS. My comment was going to be on that score, that if that is true, which I know it is true from you, that the Federal grant-in-aid is the only thing that would solve your problem there and not a Federal loan.

Mr. BAILEY. Shall we consider the witness then as being opposed to title II of the legislation? Will we consider you as being opposed to title III?

Mr. ADAMS. Very definitely so; yes, sir.

Mr. BAILEY. Now, you said you had concluded your formal testimony. What is the answer to title III which is the building facilities provision that would allow the States to set up school construction facilities? Have you formed an opinion on that?

Mr. ADAMS. I have not.

Mr. BAILEY. You did not consider that? There the financing would be done by private capital borrowed for that purpose and the school buildings would be held by this building authority and rented to the different school districts over a period of years, somewhat on the basis of your lease-purchase?

Now, it brings up the question that the interest rate there, to induce that private capital to invest, would even be at a level above the normal bond market here and might cost 5 percent or better in interest rate?

Mr. ADAMS. Mr. Bailey, we find in our business—I suppose I used the statement oftentimes—that we are the horse-and-buggy type because it takes a long time to change public opinion.

The more you can keep to a normal procedure in your financing and avoid new methods, the lower you will borrow your money.

Mr. BAILEY. You did quote from your testimony that the school building authority of the State of Pennsylvania had marketed so many bonds.

Mr. ADAMS. That is correct.

Mr. BAILEY. We have one of those in Georgia also and they have been doing fairly well, but I am thinking in the face of this high interest rate that we have now that there would not be private capital available except to charge the district an interest rate that they could not afford to pay because by the time they paid that high interest rate and then paid also a payment on the principal, over a period of 80 years or 40 years to acquire title to the school building, they would

have more money in it than the school building was worth and it would be obsolete by the time they got it paid for.

Mr. ADAMS. I feel that the last 3 or 4 months are one of the most unusual periods we have gone through in some many ways. I do not believe that it would be fair to say that we can look upon that as a normal period unless we are going to have tight money from now on henceforth forever more.

So I do not think we can assume that we are going to pay these unusually high rates from month to month in the future.

Mr. BAILEY. The Government just killed several hundred million dollars worth of construction money when they suspended the General Services Administration authority to build certain buildings on a lease-purchase basis. They have just suspended that whole lease-purchase program on the ground it is inflationary.

From your knowledge of the bond market, would you consider that as being inflationary? It only involved \$597 million worth of construction, I believe.

Mr. ADAMS. I think only an experienced economist would stick his neck out on that one.

Mr. BAILEY. You would not care to take a chance on it. Would you consider the 26 billion of Federal money that is going into our road program as being inflationary? And several more billion dollars on the part of the State, a total of \$33 billion in the road program?

Mr. ADAMS. It is pretty hard to say at what point you consider something that is inflationary. The thing has been said over and over that when capital spending exceeds aggregate savings it must come from somewhere and that is inflationary.

Mr. BAILEY. Let me phrase my question just a little differently.

Suppose it turns out over the next 6 months that we are building too many automobiles in Detroit and suppose that we are producing more in our factories than we have current purchasing power to absorb and the economy hits a soft spot, would it not be a nice thing to have this road program and this school construction program available to take up the slack of unemployment which would pretty surely result?

I think we could justify this program on the basis of a standby proposition to meet a situation of that kind. I think you can remember the WPA days after the depression back in the thirties.

Mr. ADAMS. I very definitely remember that.

Mr. BAILEY. I think we should avoid that.

Mr. ADAMS. I would say that if we run into this soft spot that you speak of—

Mr. BAILEY. Why not be ready for it?

Mr. ADAMS. I am sure that private capital will be available at much lower interest rate than is now available.

It certainly will be available in a volume to finance this type of thing you are speaking of because the demand for new plants and all that kind of thing, will not be there.

Mr. BAILEY. I was just thinking it is customary thinking on the part of our economists that certain expenditures are not inflationary and that others are. I have gotten to thinking that whether the dollar is involved or whether the welfare of the boys and girls is involved is probably the basis of some of that thinking.

Mr. ADAMS. I don't think that would be a very sound basis for it.

Mr. BAILEY. Mr. Gwinn.

Mr. GWINN. I am tempted to ask the witness some questions, but I do not think I will. I think the big issue here, Mr. Adams, right straight through from the beginning to the end, is are we short of the schoolrooms?

If so, how many, and how rapidly are we meeting that in the States? That is the thing that we are going to have to decide when we vote, if we do vote, money.

Now, do you have any evidence of how the United States Office of Education collected their knowledge of what the need in Michigan was for more schoolrooms than you were building? I ask that question because there is considerable conflict between the representation of the Federal Government as to the States' inability and the States themselves.

Mr. ADAMS. As I understand the matter, the requests were made to the various top school officials of the individual States and then they in turn requested the information from their local districts.

Mr. GWINN. How many school districts are there in Michigan?

Mr. ADAMS. I discussed this statement from our local paper. The Detroit News of Sunday, February 17, says:

In the latest survey, superintendents were asked whether they have any schools they consider "obsolete or unsatisfactory."

#### SIXTY-SIX REPLIES

Wilber said only 66 of the State's 83 superintendents answered the questionnaire. Seventy percent of the replies indicated unsatisfactory buildings.

"This doesn't mean all 48 consider their schools firetraps or unsanitary," Wilber said. "Perhaps 15 at the most indicate conditions of that sort. The rest simply feel that for one reason or another their buildings are unsatisfactory. A school might be in a poor location or not flexible enough to meet growing demands, for instance."

Governor Williams' study commission on educational finance has proposed withdrawal of State aid to a school that fails to conform to health and safety recommendations made by appropriate legal officers.

That tells you how many replied out of the 83.

Mr. GWINN. Do you know whether or not there was any breakdown between so-called needy school districts and those amply able to take care of themselves?

Mr. ADAMS. Under our new constitutional amendment, which, as I say, you will hear much more in detail from Mr. Schimmel, who is thoroughly familiar with it, we believe there is not a school district in the State of Michigan that cannot finance needed schools.

Mr. GWINN. With your State aid?

Mr. ADAMS. The State school loan fund is the basis of that aid.

Mr. BAILEY. Will Mr. Schimmel be able to give us the detail on that loan fund and how it operates?

Mr. ADAMS. He can give you all the details of the loan fund.

I might say this, that that loan fund, \$100 million loan fund, was set up on the basis that any qualifying school district—and the methods of qualification are very simple—so long as they are building schoolrooms that are needed and not building athletic fields and unneeded things, the State superintendent of public construction is entitled to qualify them and they only need to make application to be qualified.



After that no school district in Michigan need levy over 13 mills for debt service, principal and interest, and any moneys beyond that will be supplied out of the \$100 million State school loan fund.

What is done is to spread out over a number of years the financing of our school needs so that no school district needs to be levying confiscatory taxes or even too high taxes and eventually, whenever the peak period is over, that money will be returned to the State out of a continued 13-mill levy.

Mr. BAILEY. If that worked like that up in Michigan, why do you object to the Federal Government doing the same thing? How did Michigan get that \$100 million? Was it a bond issue of some kind?

Mr. ADAMS. The State will finance their provision of the loan funds by bond issues.

This retains strictly local control, local responsibility, local pay, and in no way involves a great expenditure for services or analysis or anything else, on the part of the State of Michigan.

We have made a study of this which shows that even under the most dire circumstances that not over \$30 million of that fund will ever be used within the period between now and July 1, 1962, when it is completed.

Mr. GWINN. Mr. Chairman, is there not another obvious answer? Michigan has the money.

Mr. ADAMS. No, there are many school districts in Michigan that would require—

Mr. GWINN. I mean Michigan as a State.

Mr. ADAMS. Michigan as a State is now requiring 7.6 percent of their income to provide for the State and overall debt.

I repeated a while ago the State of West Virginia is spending 7.5 percent. So comparably to income the two States are approximately spending the same amount for debt service on their entire overlapping State and local debt, of their income.

Mr. GWINN. I meant to ask the question of the chairman, why would you object to the Federal Government doing the same thing that Michigan is?

I thought the obvious answer was that Michigan got the money and the Federal Government has not a dime, it takes it away from Michigan, first of all, and adds the carrying charges.

Mr. BAILEY. Mr. Gwinn, they tell us we are going to have \$2 billion surplus in the next budget. I think I have already used it in the committee hearing previously, but I am sure that the gentleman from Michigan has been too busy dealing in bond matters to go back and trace the history of Federal grants-in-aid in this country.

Are you aware of the fact that back during the administration of Andrew Jackson the Congress found itself with \$37 million in their Federal Treasury, they passed a law just like you are proposing, a flat grant of that \$37 million to the 38 States that were then in the Union and gave it to the States to build school buildings and they took it and built school buildings?

They did not destroy the Constitution any more than this proposition would. That actually happened.

We are not setting any precedent. We are already in business.

May I remind the gentleman, too, that 6 years ago I sponsored Public Law 185 that required the Federal Government to assume its responsibility in certain impacted school districts in the Nation, about

2,800 of them altogether. The Federal Government has spent \$1 billion, \$1,200 million in construction money, Federal money, and I do not see where it destroyed the Constitution or our American way of life.

We are already in business. This is not a bad precedent to set. It has already been set. It is not anything new if we made just flat grants.

Mr. GWINN. Mr. Chairman, the comparable fact to that is that Jackson turned back what they had taken too much of, which was a generous thing.

Mr. BAILEY. You are sitting there taking too much off right now.

Mr. GWINN. The present proposition is to take it away from them and spend it in Washington.

Mr. BAILEY. We would be satisfied to have this surplus of \$2 billion which they say we are going to have in the Treasury this year. That would settle this problem fine.

Mr. GWINN. You have allocated to me some time and I know your gavel will crack in a minute. I would like to clarify one very important fact that grows out of the estimation of the credibility of testimony here, especially on the part of a United States officer of education and the way that it collected this so-called information about how short of schoolrooms we are.

Now, there is certainly considerable difference of opinion on that. I refer particularly to page 3 of your testimony where you say:

In short, the school financing for the past 4 months projected for a full year would mean an expenditure for school construction of approximately \$2,800 million to provide about 98,600 classrooms.

Now, for what year was that? Would that be 1957, 1956?

Mr. ADAMS. That is financing beginning October 1, 1956, and at that monthly rate for 1 full year you would provide 98,600 classrooms.

We are not trying to confine it to a set period, but to say that a continuing rate of that kind would provide that many classrooms in 12 months.

Mr. GWINN. In 12 months?

Mr. ADAMS. Yes, sir.

Mr. GWINN. Any particular 12-month period? You could not fix that at any particular 12-month period?

Mr. ADAMS. Well, it is very difficult to confine it to a particular 12-month period because you start on the 1st of October and schools may be completed from that time on for a period of anywhere from 6 months, let us say, as a minimum time to build a school building, up to a year.

Mr. GWINN. When you gave us that figure you added, then—

In addition to the 60,200 scheduled for completion as of October 1, 1956.

Is that correct?

Mr. ADAMS. It is my understanding that when they were asked how many classrooms they had scheduled for completion in the next year, that they have already done the financing and are in the process of either having architects draw plans or are in the process already of building.

As we understand it, the 60,200 is a figure which was stated as being the number of classrooms that would be scheduled for completion by the end of the school year 1956-57.

Mr. GWINN. So that you want to make that modification. It is not quite correct to say for completion as of October 1, 1958?

Mr. ADAMS. Well, they are scheduled for the school year.

Mr. GWINN. The school year 1956-57?

Mr. ADAMS. As I understand, the question was asked that way, how many schoolrooms have you scheduled for completion during the 1956-57 school year, and the answer was 69,200.

Now, I am stopping right there and starting with the new financing that occurred since October 1 and saying that at the rate of financing for October, November, December, and January, we are providing for 96,600 additional classrooms at that rate of financing in a 12-month period.

Mr. BAILEY. Let the Chair ask a question to clarify this.

I read from the Commissioner's testimony that instead of the 69,200 classrooms there were actually constructed 63,000 for the fiscal year just closed. He so testified.

Now, he said that they cost approximately, those 63,000 classrooms cost approximately \$2½ billion. So you have financing here to show \$2,900 million.

Now, you could not build the difference between 63,000 and 96,600, which would be 33,600 classrooms, with an additional \$400 million, which is the difference between what 63,000 actually cost and what you say the \$2,900 million would supply. You cannot build those additional 33,600 rooms for \$400 million.

So I can't put much credence in your 96,000 figure.

Mr. GWINN. The United States Commissioner of Education might be wrong. That is the whole purpose of this questioning.

Mr. BAILEY. If the gentleman from New York will approve, we are going to bring him back so that you can ask him.

Mr. GWINN. The assumption that the United States Government figures are sacrosanct and correct is a violent assumption in my judgment.

Mr. ADAMS. The figures of the United States Office of Education for the school year 1956-57, according to the statement, were an estimated \$2,400 million, and that was expected to supply 69,200 classrooms.

Mr. BAILEY. He testified that 63,000 classrooms which they actually did construct cost \$2½ billion. So that construction costs were higher than the estimate.

Now, what you are trying to tell us is that construction costs are going to drop if you can build 96,000 with \$2,900 million when you can only build 63,000 with \$2½ billion.

Mr. ADAMS. May I ask a question there?

As I understand the figures—we don't have this figure you mentioned from the Office of Education, the figure was 63,000 approximately, schoolrooms for the calendar year 1956.

Mr. BAILEY. I am assuming he was speaking of the calendar year.

Mr. ADAMS. His figures here definitely show for the school year 1956-57 an estimated figure of \$2,400 million and 69,200 classrooms.

Mr. BAILEY. That was his estimate for last year, for 1956?

Mr. ADAMS. That is for the 1956-57 school year.

Mr. BAILEY. And they feel six or seven thousand classrooms short of the estimate they were going to have constructed?

Mr. ADAMS. But these figures are for the school year 1956-57 which is not ended yet and won't be ended until June 30, 1957.

Mr. BAILEY. That is true; that would be on a fiscal-year basis. He said the classrooms are actually constructed--and how could they get the cost of them without their having been constructed?

Mr. GWINN. Do we have a copy of the Commissioner's testimony.

Mr. BAILEY. I have it. We will get it again and see just what he did say.

Mr. GWINN. What is that statement you are reading from?

Mr. ADAMS. This is the statement of the United States Office of Education, public-school expenditures for capital outlay, and goes back to 1945-46 and carries through to 1956-57, and those figures were an estimated figure.

Actually nothing available at all for the 1954-55 year, nor for the 1955-56 year.

Mr. GWINN. Is that what he says?

Mr. ADAMS. That is right.

Mr. BAILEY. Say that again.

Mr. ADAMS. For the 1954-55 year the amount of expenditure, it says, is not available and the same thing for the 1955-56 year, but for the 1956-57 year it has an estimated \$2,400 million.

Mr. BAILEY. He told us how many classrooms they built during the year from 1950 on in his testimony, but he did not give you an estimate of the cost of them.

Mr. GWINN. On page 2, Mr. Chairman, of that testimony, you just called for--this is the testimony of Marion B. Folsom, Tuesday, February 5, 1957--he says:

Three years ago the rate of construction was 55,000 classrooms.

Mr. BAILEY. That is beginning in 1952?

Mr. GWINN. That is for school years he is talking about.

Mr. BAILEY. Start reading a little above that, he says:

Ten years ago--

Mr. GWINN (reading):

Ten years ago in 1946-47, they built only 9,000 classrooms; 3 years ago the rate of construction was 55,000 classrooms, and 2 years ago it was 60,000. By last year about--

it is an estimate--

63,000 classrooms were built at a cost of about \$2½ billion.

He does not say the year, but it is obvious that he is referring to last year.

Mr. BAILEY. Because he goes ahead and says:

The States estimate they will build even more this year, perhaps up to 60,000 units--

this year.

Mr. GWINN. That is the school year 1956-57?

Mr. BAILEY. Right.

Mr. ADAMS. That is the published information of the United States Office of Education which says during the 1956-57 year that 69,000 classrooms will be built and gives the cost estimated at \$2,400 million.

Mr. BAILEY. He said they actually did build 63,000 and it cost \$2,500 million.

Mr. ADAMS. This is a different time and apparently the figures were accurate or they would not have been published.

Mr. GWINN. Mr. Chairman, you have mistaken that.

By last year about 63,000 classrooms were built at a cost of two and a half billion dollars.

That is the 63,000 you are talking about. Then he says—

and the States estimate they will build even more this year—

That is 1956-57.

Mr. ADAMS. That is what I would say.

Mr. GWINN. Perhaps up to 69,000 classrooms. So that the 63,000 and the two and a half billion dollars goes back, refers to last year, and this year he has estimated 69,000 and the year is not over, so we don't know yet.

Mr. ADAMS. That is correct.

Mr. BAILEY. And the gentleman's proposal is that they will continue to sell bonds at the rate they sold them in the 4 months gone by, to build 69,000 classrooms, but I tell him you cannot build 69,000 classrooms with \$2,800 million because it cost two and a half billion to build 63,000.

Mr. ADAMS. That is an estimated figure, sir. His figure here is also an estimated figure.

Mr. BAILEY. The only way your proposition would figure out would be to reduce construction cost about one-third?

Mr. ADAMS. We have written to a number of States and checked figures with a number of people and felt that the figures that we offered were fair figures on the basis of the statements that we got.

Mr. GWINN. I understand that the witness is not estimating, that he is taking actual bond sales.

Mr. ADAMS. That is correct.

Mr. GWINN. For 4 months beginning October, November, December, and January of this year, 1957.

Mr. BAILEY. Now, I think I have found some language in his testimony that will clarify this question, Mr. Gwin.

Mr. FRELINGHUYSEN, junior minority member on the committee, asked the Commissioner a question:

A brief question, if I may.

Are we talking about a school year or a calendar year when we talk about these 63,000 classrooms last year?

Then Secretary Folsom answered:

The school year.

Mr. FRELINGHUYSEN. The school year 1955-56.

Secretary FOLSOM. Yes, the 63,000 was 1955-56.

So that settles the argument.

Now, his estimate is that the 1956-57 school year will be 69,000 units.

Mr. GWINN. I understand the witness to say that his estimate of 96,000 schoolrooms is based upon a projection of the figure for the first 4 months of the present school year; that is, October, November, December, and January.

Mr. BAILEY. That would not be the first 4 months. You are on a fiscal basis, the first 4 months would be July, August, September, and October.

Mr. GWINN. No; he is talking about a school year. The first 4 months of the school year, beginning October 1; is that right?

Mr. ADAMS. That is correct. We made spotchecks all around the country trying to arrive at what we felt was a justifiable figure in school construction cost.

Now, if you wish, I will pick three different locations that give quite a representative number and the names and the costs and so on.

Montgomery County, Md., which is right on our doorstep, and certainly built a rather attractive-looking school from what I saw, the 2 most recently completed elementary schools cost \$25,700 per room and \$25,058 per classroom, averaging \$24,300.

The most recently completed high school which, of course, would include an auditorium, gymnasium at least, cafeteria, and all the other facilities that would go with it, including offices and so forth, \$42,250 per classroom.

Fairfax County, the most recent contract for completed elementary school, \$20,000.

Addition to the high school, \$12,000 per classroom.

From Alabama, statewide estimate for Alabama elementary and secondary for complete schools, \$26,700 per classroom.

Florida, additions to present schools, \$10,776 per classroom; complete elementary schools, \$18,522; complete high school, \$31,402.50.

Montana, White Sulphur Springs, Mont., \$42,000 for a new high school, new building, 10 classrooms, plus office space, gym, and dressing rooms.

Deer Lodge Common School District, \$350,000, new building, 12 classrooms, about \$30,000 per class.

Sunburst Common School District, about \$25,000 per classroom.

Kevin Common School District, new, \$103,000, 5 classrooms. That would be approximately \$20,600 per classroom.

Ethridge Common School District, new, \$40,000, for 2 classrooms, \$20,000 each.

Shelby Common School District, addition, \$300,000 for 10 classrooms, 1 auditorium plus dressing rooms.

Fairfield Common School District, \$17,650 per classroom. In Billings, the average cost per 900-square-foot room will be between \$17,000 and \$24,000.

In Michigan, the estimate of six different architects who are major designers of school construction in the Detroit metropolitan area, for classrooms only, \$17,000 to \$25,000. For complete units, including library, cafeteria, auditorium, gymnasium, and offices, \$25,000 to \$45,000 per classroom.

Mr. GWINN. That is the basis on which I used \$30,000 as an average.

Mr. ADAMS. That is correct.

Mr. BAILEY. Now, Mr. Gwinn, if you have completed at least temporarily—

Mr. GWINN. I have concluded, period.

Mr. BAILEY. Now, I just want to call the witness' attention to—I am reading now from the Detroit Eagle of Tuesday, that is the day before yesterday:

The community finds no takers for bonds on a high school at 4-percent rate.

This is an Associated Press dispatch:

Last June the people in Chelsea, Mich., decided to build a new high school \* \* \*. The two sections of the present school are 60 and 57 years old, respectively.

Charles Hammond, the alert, quiet-spoken superintendent of the school, said he expected more than 50 or 100 additional students for the high school within the year. In June the people voted to spend \$2,200,000 for a new high school. They approved the bond issue for that amount in order to go into the market and borrow the money.

The district has a good credit rating; advertised for bids, however, at 4 percent interest and there were no takers.

In October, bids were offered again at a 5-percent rate. This time there were three bids. The bonds were finally sold at a rate of 4.189126 percent interest.

Now, what do these six figures after the decimal point mean to this school district?

The citizens of Hammond estimate they will pay \$77,000 in additional interest rate before the bonds are repaid.

The architect was working with the blueprints in his office during this conversation, and I asked him what they could build for \$77,000. He said, "Approximately 4 complete classrooms or 1 complete ship building."

So you see what this high-interest proposition is doing, and how does this check out with funds you said you had up in Michigan where no district had to bond itself beyond 13 mills.

Mr. ADAMS. They sold their bonds. They would not have the \$77,000 to build the classrooms today under any circumstances. This is a savings which would be realized only over a period of 25 years.

Mr. BAILEY. Why did not the State come in when this interest rate would exceed—don't you suppose that this 2,200,000 was more than 13 mills on their bonding capacity.

What is Michigan paying on those bonds? What is the interest rate they are paying on those bonds?

You said they had 25 million up and didn't sell them. On the ones they have already sold, what interest rate are they paying on them?

Mr. ADAMS. The State of Michigan?

Mr. BAILEY. Yes.

Mr. ADAMS. So far, during the first year this account had been in effect, they borrowed the total sum of \$48,000.

In the second year, they will borrow \$369,000!

Mr. BAILEY. That is the current year!

Mr. ADAMS. That is correct. That was for the year 1956.

On the basis that we would assume that there was an interest rate that was too high, and therefore we should not permit the borrowing of the funds, I would say then that we should have absolutely no installment paying purchase of anything because the rate that people are paying is far too high, and therefore they could buy a lot more if they did not buy on the installment plan, or else somebody would provide it for them at a lower interest rate.

Mr. BAILEY. Would you say you are exactly fair to the committee in coming here and telling us that Michigan had a huge fund up there to assist the school districts and here is proof 2 days old that they could not help this district and did not help them, and forced them to pay that extra \$77,000 in interest above the 4 percent?

Surely the State of Michigan would not charge them over 4 percent.

Mr. ADAMS. Then you would advocate that way, that the State advance the funds beyond a certain interest rate?

Mr. BAILEY. We pay subsidy on practically everything else, don't we? I wouldn't see anything wrong in subsidizing the school board on the interest rate.

Let me ask the gentleman this question:

The other day there was some testimony given here and the Chair interjected this thought, that you are proposing in the administration and in the Kelley bill both to charge 8.7 interest rate on the bonds under this title 2 that you gave your viewpoints on.

Now, what situations do we face here when that school district must pay under this legislation, if we pass it, 8.7-percent-interest rate that is the going rate, plus one-half of 1 percent—when less than a year ago I negotiated a loan for a denominational school, a college, in my State of West Virginia, under the loan authority for colleges and universities and nontax-supported institutions, for 2.78 percent?

Now I am asking you the question, in view of the fact that it is costing the Government 8.24 or 25 percent, the going rate, to borrow money now, aren't we subsidizing those universities and denominational schools, the difference between 2.78 and 8.25?

We are doing it right now and we are making those loans. Then why squawk about a subsidy to the high schools, the elementary schools?

Mr. ADAMS. In the first place, we have felt that that is not—shall we say?—good business over the long run for the Federal Government to loan money.

Mr. BAILEY. I might agree with you, but it is a Federal activity and how are you going to justify charging these school districts 8.7 when every dollar's worth of their property is pledged to the support of it, and in the case of these denominational and nontax-supported schools, the only security they offer the Government is the rental paid by the students for living in the dormitories?

They have a revenue bond at practically 1 percent less than you would pay for a regular bond with the support of all the property in the district.

Now I am asking how we are going to justify that?

Mr. ADAMS. Mr. Bailey, we would not try to justify it. I think, on the question you have raised, that we could easily finance many schools in the United States at a much lower rate if the Federal Government did the whole thing. But that would certainly remove entirely local responsibility and local interest in the school picture, and local government and everything else.

Mr. BAILEY. You will agree with me that it all comes out of the same tax pot?

Mr. ADAMS. It all comes out of the same pocket, but I do not believe that we are ready to yet advocate that all financing of that type be done by the Federal Government.

Mr. GWINN. I think in that connection the witness would not want to be understood as saying that he believes if the Federal Government sold its bonds at a lesser interest rate than the local school districts, that that would necessarily bring us enough schoolrooms.

You have a lot of faith in the Federal Government acting quickly enough and having sufficient credit to be on hand at all times for 61,000 school districts.



Mr. ADAMS. I am not sure in the long run it would be the most economical way to do it.

Mr. BAILEY. Are you sure either that the Federal Government would be on time to finance all the children that are coming along?

Mr. ADAMS. That is a pretty difficult question to answer.

Mr. BAILEY. Now, the gentleman from New York 5 minutes ago said he had quit with a period.

Mr. GWINN. I will quit whenever you quit.

Mr. BAILEY. May I say that even though it has been a lengthy and argumentative session, we appreciate the fact you have given us some valuable information. We hope it may be used in drafting some type of legislation that will secure approval of the Congress.

Again, we thank you on behalf of the subcommittee.

Mr. ADAMS. Thank you, Mr. Chairman.

Mr. BAILEY. You be sure and file any additional information you have available or if you care to submit any additional information get it into the hands of the clerk within the next week.

Mr. ADAMS. Thank you sir; we will do so.

Mr. GWINN. Mr. Chairman, there are two paragraphs here, I just received a buffer of which I would like to read a very short paragraph into the record of Mr. Ewing's testimony.

Mr. BAILEY. The gentleman from New York has been rather good this afternoon. I will give you that privilege.

Mr. GWINN. I would like to call the attention of the press to this. The witness, Mr. Ewing, from Buffalo, N. Y., my State, I think ran off with a headline this morning with his inference that, if the Federal Government did not become the partner of the States and the local communities and provide more money for the schools, we would not be doing as well as Russia does toward her children.

I bet that is in the papers this afternoon.

Now, my office called the chairman of the Buffalo, N. Y., Board of Education on the telephone—Mr. William I. Morey. He said that he knew Mr. Ewing was in Atlantic City at a superintendent's convention, but had no knowledge of his intention to appear in Washington.

The Board of Education of Buffalo never discussed at any meeting a policy on Federal aid to education. Mr. Morey said his personal opinion was that it would be bad for Buffalo.

The budget director, Philip Bukowski, said that the question of Federal aid to education was never discussed by city officials and, therefore, that is no policy officially on the subject.

However, he did say that Buffalo would not benefit at all from Federal aid to education.

Mr. Charles Fickner, executive director of the Buffalo Chamber of Commerce, when asked the question, reports that Buffalo is a wealthy city. It is the third highest in the United States in average industrial workers' income.

Mr. BAILEY. Now, if the gentleman had left off the last paragraph, I would have thought more of his statement. When he involved the United States Chamber of Commerce in there he destroyed the effectiveness of that.

May I also state for the record that the gentleman, Superintendent Ewing of Buffalo, who testified, made it plain that he was appearing here as an individual and not as a representative of the board.

The gentleman from New York has spent considerable Government money in telephones to New York to get information which we already had.

The gentleman was not appearing for the school board for the city of Buffalo.

I think it is time to adjourn this hearing now. We will be in recess until 10 o'clock on Monday morning.

(Thereupon, at 4 p. m., the subcommittee was recessed, to reconvene at 10 a. m., Monday, February 25, 1957.)

# FEDERAL AID TO STATES FOR SCHOOL CONSTRUCTION

MONDAY, FEBRUARY 25, 1937

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON GENERAL EDUCATION OF THE  
COMMITTEE ON EDUCATION AND LABOR,  
Washington, D. C.

The subcommittee met 10 a. m., pursuant to recess, in room 420, Old House Office Building, Hon. Cleveland M. Bailey (chairman of the subcommittee) presiding.

Present: Representatives Bailey (presiding), Kelley, Udall, Gwinn, Griffin, and Haskell.

Also present: Representatives Metcalf and Green.

Staff members present: Fred G. Hussey, chief clerk; John O. Graham, minority clerk; James M. Brewbaker, general counsel; Kennedy W. Ward, assistant general counsel; and Russell C. Derrickson, chief investigator.

Mr. BAILEY. The subcommittee will be in order. The clerk will call the roll of the committee to ascertain if a quorum is present.

Mr. HUSSEY. Mr. Bailey?

Mr. BAILEY. Here.

Mr. HUSSEY. Mr. Kelley?

(No response.)

Mr. HUSSEY. Mr. Metcalf?

Mr. METCALF. Here.

Mr. HUSSEY. Mr. Udall?

(No response.)

Mr. HUSSEY. Mr. Gwinn?

(No response.)

Mr. HUSSEY. Mr. Frelinghuysen?

(No response.)

Mr. HUSSEY. Mr. Haskell?

Mr. HASKELL. Here.

Mr. HUSSEY. Mr. Griffin?

Mr. GRIFFIN. Here.

Mr. BAILEY. The clerk will report Mr. Kelley as present. He is currently attending another committee meeting but will be here presently.

Mr. HUSSEY. The first witness is Mr. Louis H. Schimmel, president of the Pontiac, Mich., Board of Education.

Mr. BAILEY. Before we hear our first witness the Chair will recognize the clerk to offer briefs for insertion in the record.

Mr. HUSSEY. Mr. Chairman, we have a statement from the Missouri State Chamber of Commerce; the Georgia State Chamber of Com-

merce; the Angelina County Chamber of Commerce, Lufkin, Tex.; and a paper entitled "How can we get the money for financing the schools?" presented to the public school administrators on February 18, 1957, by Seymour E. Harris, chairman, department of economics, Harvard University.

Mr. BAILEY. Without objection, they will be accepted for inclusion in the record.

(The documents referred to follow:)

MISSOURI STATE CHAMBER OF COMMERCE,  
Jefferson City, Mo., February 19, 1957.

HON. CLEVELAND M. BAILEY,  
House Office Building, Washington, D. C.

DEAR CONGRESSMAN BAILEY: We will appreciate it very much if you will file this letter as an amended statement to the statement which was filed in the behalf of the Missouri State Chamber of Commerce last week on Federal aid for school construction. The purpose of this letter is to bring our earlier statement up to date with important new developments here in Missouri:

1. Since our statement of last week was filed, a survey issued by the United States Office of Education on fall 1956 statistics on enrollment, teachers, and schoolhousing, in full-time public elementary and secondary day schools has come to our attention. We have checked the source of the Missouri statistics in this table on classroom shortages with the Missouri State Department of Education, which we understand filled out a United States Office of Education questionnaire on which these figures were based. We found that the figures were obtained in cooperation with the Missouri State Teachers Association, which organization conducted a "postcard sampling survey" and projected earlier survey figures.

Therefore, we feel that these new figures are subject to most of the same criticism we made of the earlier survey figures in our statement filed with your committee last week. We want to emphasize that the Missouri State Department of Education did not claim that these figures are any more than "a guess."

2. Yesterday the attached Senate Bill No. 203 was introduced in the Missouri General Assembly by the dean of the senate, who has long been a Democratic leader, and the Republican minority floor leader. As you can see, this bill creates a State fund to be known as the Temporary School Building Construction Assistance Fund, which, according to Senator Kinney who sponsored it, is meant to demonstrate that Missouri is able, ready, and willing to take care of its own school construction shortages without any control, interference, or assistance from Washington.

Very sincerely yours,

JOHN R. THOMPSON,  
Executive Vice President.

#### SENATE BILL No. 203

#### 69TH GENERAL ASSEMBLY

Introduced by Senators Kinney and Crain

Read 1st time February 18, 1957, and 1,000 copies ordered printed.—JOS. A. BAUER, Secretary.

AN ACT Creating a fund to be known as "The Temporary School Building Construction Assistance Fund", prescribing the purposes for which the moneys in such fund can be used and by whom the money may be paid out

Be it enacted by the General Assembly of the State of Missouri, as follows:

SECTION 1. There is hereby created a fund to be known as "The Temporary School Building Construction Assistance Fund" which shall consist of moneys appropriated by the General Assembly of the State of Missouri to be credited to such fund. This fund shall be kept separate and apart from all other moneys in the state treasury and shall be paid out as provided by law.

Such moneys, after appropriation pursuant to law, shall be apportioned by the State Board of Education as provided by this act.

SECTION 2. The State Board of Education is hereby authorized, subject to the provisions of this act, to make loans, limited to ten years duration, to school

districts from the Temporary School Building Construction Assistance Fund for original construction and addition to school buildings to any school district existing under the laws of the State of Missouri for the operation of a public school, which school district is operating schools and meets the qualifications of this act, which loan shall not exceed two hundred fifty thousand dollars to any school or school district. The maximum cost per classroom shall not exceed the arithmetical average of classroom cost throughout the state as determined by the State Board of Education. In no instance shall any funds from loans made pursuant to this act be used for gymnasiums, auditoriums or any athletic facilities nor shall any funds be used solely to assist in providing facilities other than for grades one through twelve.

**SECTION 3.** All such loans shall bear interest at a rate of at least two per cent per annum on the unpaid balance remaining on June 30 of each year which shall be credited to each loan account on June 30 of each year.

**SECTION 4.** A school district may qualify for loan under the provisions of this act only when the following conditions exist:

(1) The school building and classrooms of any school district are not adequate for the proper education of the pupils in such district;

(2) Such school district has issued bonds, for the purpose of constructing school buildings, in the maximum amount allowable under the constitution and laws of the state of Missouri;

(3) The school district has submitted a verified petition stating the existing condition concerning the need for assistance under the provisions of this act;

(4) After approval of the petition by the State Board of Education, the question of any such loan shall be decided at an annual school meeting or special election held for that purpose in the manner bond elections are held for school districts of the state in Chapter 165 RSMo; and

(5) The State Board of Education can refuse to grant loans to any school district where reasonable reorganization of that district would make unnecessary such loans in the judgment of the Board.

**SECTION 5.** The powers and duties of the State Board of Education in administering this act shall be:

(1) To inspect and approve all petitions and plans and to be the final authority in determining eligibility for loans and in determining the amount to be authorized, within the limitations of this act;

(2) To establish a system of priorities if petitions for loans exceed the amount appropriated;

(3) To receive progress reports from the school districts and to audit the use of loan funds granted pursuant to this act; and

(4) To submit an annual report to the governor and the General Assembly on the status of the fund and the use of its moneys.

**SECTION 6.** A note shall be executed by the State Board of Education, as agent of the state, and the governing body of each school district, as agent of the school district, receiving a loan pursuant to this act, which note, in favor of the State of Missouri, shall serve as a first mortgage on all buildings constructed with such funds. The note so drawn shall satisfy the State Board of Education and shall contain a schedule of repayment within the terms of this act.

**SECTION 7.** It is the intent of this act to assist temporarily in providing adequate legitimate facilities for education in school districts which have issued bonds in the maximum allowed by the constitution and laws of the state of Missouri. The fund created by this act shall be dissolved and all moneys not apportioned by June 30, 1900 shall revert to the General Revenue Fund at that time. Payments on loans outstanding and interest payments on loans outstanding after June 30, 1900 shall be credited to the General Revenue Fund.

#### STATEMENT OF IVAN ALLEN, JR., PRESIDENT, GEORGIA STATE CHAMBER OF COMMERCE

Gentlemen, we are confident that proposed Federal aid to education is unnecessary and not in the best interests of Georgia or the Nation.

Georgia has no problem in constructing schools which more money would not cure. There is one source for such money—the taxpayer's pocket. Congress can remedy the shortage of classrooms and assure maximum construction at minimum cost by returning to State and local governments some tax sources which have been preempted by the Federal Government. There is no economic justification for detouring local and State taxpayments via Washington.

This year Georgia is spending \$152 million or 53 percent of the State tax dollar for education. This is in addition to city and county expenditures.

Within the past year, Georgia has erected 1,770 modern classrooms and 2,700 are presently under construction by the Georgia School Building Authority.

Truly, there remains a need for additional classrooms although the deficiency is being reduced. Our classroom deficit is due to: (1) Needs created during wartime years when construction was curtailed; (2) A vast postwar increase in school-age population; and (3) Federal preemption of local and State tax sources.

But United States Office of Education data pertaining to Georgia's classroom needs is not entirely substantiated and is distorted by: (1) A liberal formula used in determining classroom needs; (2) Exaggerated enrollment and average daily attendance reports by some counties; and (3) Progress made since the data was compiled.

Many Georgia counties are losing population as farms become mechanized and displaced workers move to urban employment. This population shift causes urban areas to have difficulty in meeting continually increasing school needs while modern classrooms stand vacant in some counties.

An excellent example of how State and local governments can meet current and anticipated needs is evidenced in DeKalb County which has the fastest influx of school-age children in Georgia and is one of the South's most rapidly growing communities. This critical area is successfully meeting its school requirement through local initiative and State cooperation. Their need for some 250 new classrooms to house additional children, plus 105 to replace obsolete facilities, will be adequately financed by an \$11 million local bond issue and State funds. It is unfair to make these citizens pay Federal taxes to aid communities which are unwilling to meet their own obligations.

Experience proves that Federal subsidies inevitably lead to Federal controls. Past and present Federal-grant programs amply prove this fact and convince us that the same would apply to Federal grants for educational purposes. Centralized controls over our Nation's public schools could become more dangerous to our democratic system of government than the external threats now facing us.

Therefore, we strongly urge that the financing—and control—of public education remain at the local and State levels, without Federal intervention; that the Federal Government return to the States and local governments some taxing sources so school construction can be financed by people most familiar with their problems; and that personal political ambitions be divorced from the vital issue of public education.

ANGELINA COUNTY CHAMBER OF COMMERCE,  
Lufkin, Tex., February 18, 1957.

MR. FRED G. HUSKY,  
Clerk, Education and Labor Committee,  
House of Representatives, Washington, D. C.

DEAR MR. HUSKY: On February 14, 1957, our board of directors of the Angelina County Chamber of Commerce unanimously voted opposition to Federal aid for school construction.

Four years ago 85 percent of our citizens voluntarily increased their valuations for school-tax purposes by a total of 50 percent spread over a 2-year period to make possible a necessary bond issue to provide better school facilities.

In 1953, we built a new high school, a new gymnasium, a new auditorium. That same year in Lufkin the Junior high school was relocated (in the former high-school building, an excellent building but better for a Junior high school since one or the other had to be built). In 1956 we opened a new elementary school. Currently we are enlarging and modernizing the facilities of existing schools.

In our opinion not all the States and communities have done their best to meet the needs for good schools. We are against Federal control of our schools. We believe that Federal aid to our schools will mean Federal control.

We have taken this matter up with our elected officials. Your kindness in placing us on record as being opposed to Federal aid for school construction will be appreciated.

Respectfully submitted.

HERMAN BROWN, Manager

## How Can We Get the Money We Need for Financing the Schools?

By Seymour E. Harris, chairman, department of economics, Harvard University

### SUMMARY

With an average rise of \$12 billion in stable prices of gross national product in the last 10 years and an expected rise of \$15 billion in the next 10 years, there is no excuse for the school financial crisis.

#### Why a crisis?

Rising enrollment; the increase in construction costs brought on by the delays in building, the pressure on construction supplies and labor and the abnormal rise of prices in construction; the Federal grants-in-aid program which distorts spending by State and local government against education—these are major causes of the educational crisis.

But inflation is the most important single cause of the crisis. With inflation the yield of the general property tax is eroded.

#### How much is needed?

How much more do we need for public-school education? We need to increase our expenditures from \$9 billion (or more) to \$22 billion in 10 years from 1934 or 1935 to 1945; teachers and related instructional aids, from 5 to 15 billion dollars; capital, from 2 to 8 billion dollars; other current outlays, from 2 to 3 billion dollars.

Why so much more for teachers? A few billions are required to raise teachers' salaries from about \$4,000 to about \$6,000, and thus reestablish their 1930 position vis-à-vis that of other members of the labor market. (Teachers' pay in stable dollars rose but one-third as much as that of the working population since 1930.) Sharing the gains of productivity of the economy per member of the labor force of 40 percent in stable prices over the next 10 years would mean an average salary of \$8,500 at a cost of a few billion dollars. Finally, the cost of additional teachers required would add a few billion dollars more—\$8 billion more in all for teachers.

Construction costs will rise to \$3 billion per year average over 10 years. This takes account of expected rises of costs even on the basis of a generally stable economy. My estimate is an average cost of a classroom of \$45,000 in the next 10 years. Note that building costs rose by 88 percent since 1946 as compared to but 40 percent in highway construction and the cost of living. I also assume current financing except when additions are abnormal—for example, the backlog of classrooms.

#### How much more can State and local governments raise?

The rise per year needed is \$1.3 billion, or \$13 billion per year after 10 years.

On the basis of the experience since 1938, we might expect State and local governments to increase their outlays by \$600 million per year; on the basis of the 1930 to 1935 experience by \$720 million per year; on the basis of the expected growth of gross national product with State and local governments continuing to absorb 8 percent of the GNP and public-school education taking one-third as in the past, the total would be only \$400 million.

An estimate of \$600 million is generous. But this is our informed guess. State and local governments will provide one-half the required sum of \$1.3 billion additional each year (\$13 billion per year more in 10 years). This is on the assumption of no inflation. One percent of inflation in a year eats up about \$100 million now and \$200 million in 10 years. From 1938 to 1955, inflation consumed five-sixths of the rise of school expenditures. A rise of outlays from about 2 to 9 to 10 billion dollars since prewar primarily offset the effects of inflation and added little to improvements of the position of teachers or to better service and to increased plant and personnel.

Where are the additional \$600 million a year to come from? Possibly \$100 million a year at the outset might be had through more economical operation of our schools. Our economy adds 3 percent a year in productivity. Why should not the productivity of our schools rise 1 percent additional? (The present gains of efficiency, despite some consolidation of districts, must be small.)

*The obligations of Federal Government*

The remainder would have to come from the Federal Government or result in a deterioration of our product. How much the Federal Government would yield depends on the burdens of the military and other obligations. But on the assumption that GNP would rise by \$150 billion in 10 years and that military outlays are reduced, or at least not increased, then Federal outlays of \$500 million the first year and \$5 billion in 10 years (8 percent of the rise of product) should surely not be out of line.

Note that a rise of \$150 billion of GNP should yield about \$45 billion of additional taxes. The Federal Government might claim half of this, say, \$22½ billion; other governments, \$22½ billion. With one-half distributed by Federal Government, the State and local governments may have enough to meet their expected needs of \$60 billion in 10 years.

Since 1952, the record of the Federal Government has not been impressive, inexcusable delays and finally the debacle of 1950, when the Republican Members of Congress flouted the President and voted for the Powell amendment, which stimulated southern opposition, and then voted against the bill. Despite a \$65 billion rise in GNP, no money has been voted for the schools. Even the 1958 budget carries only \$185 million and the 4-year (or is it 6-year?) plan \$1.2 billion of genuine expenditures. The Government proposes to finance 2 to 3 percent of the school-construction bill of about \$40 billion in the next 10 years. In contrast, there is the program to spend about \$3 billion a year of Federal money for 13 years on roads, with the Federal Government's \$40 billion financing about 75 percent of the total. On a 10-year basis, the Federal Government is to spend about 25 times as much on roads and 25 to 30 times as large a percentage of cost of highways as of schools (construction alone).

The estimate is a need of \$200 billion in 10 years for State and local public works. Yet, in part as a result of dear money policy and in part as a result of heavy borrowing, in 5 years the yield on municipal bonds rose by 71 percent as against 30 percent for United States and AAA corporate bonds.

The Federal Government will have to provide about \$500 million the first year and \$5 billion by 1965 per year or the school services will deteriorate correspondingly.

**WHY A CRISIS**

In the last 10 years our gross national product (GNP) has increased by \$12 billion a year in stable prices. The most responsible estimates point to a \$15 billion annual rise in the next 10 years. Apparently the resources are there; but the schools are being starved.

*Inflation*

Why? Perhaps the No. 1 reason is inflation. Schools depend especially on the general property tax (GPT) for support. But the GPT responds slowly and inadequately to inflation. In 25 years the ratio of GPT to GNP has fallen by one-half; to all tax receipts by three-quarters. School finance has become too much a tug of war between real estate lobbies and teachers.

Inflation is destructive of school finance for another reason. Construction costs have risen about one-half more than the cost of living since prewar. This is very costly to school boards. Not only are prices much higher than in the thirties or forties when schools would have been built, had it not been for the depression and war, but also Federal policies stimulating construction—for example, a 50 to 100 billion dollar road program—tend further to increase these costs. What is more, the high rate interest policy to contend with inflation not only has increased interest rates by 25 percent in a few years but have resulted in discrimination against the school authorities who, unlike business, cannot pass higher interest rates on to the Federal Government through tax remissions and to consumers through higher prices.

*Rising enrollment*

A third factor of great significance is the increase of enrollment of about 1 million per year, or about one-third in 10 years. This means not only more classrooms, but also more teachers and higher paid teachers if the required numbers of needed quality are to be had. More on this later.

*Federal influence on spending pattern*

Finally, we stress the issue of Federal grants-in-aid. In the 1958 budget the Federal Government lists \$3,617 million of grants-in-aid aside from \$1,654 million for roads isolated in a trust account. Public schools get virtually none of this.



money. In fact, in a recent year the Federal Government provided 84 percent of the finances for veterans, 58 percent of those for social services, and 46 percent of public aid and 2 percent of the public school bill. A surprising condition—the Federal Government arrogates to itself 70 percent of the tax receipts and pays but 2 percent of the public school bill.

Obviously, when the Federal Government tempts State and local governments through matching grants, their spending pattern is distorted—away from areas like education, where Federal help is unavailable, and toward areas where the Federal Government makes matching grants, like highways and welfare.

#### THE PROPORTIONS OF THE PROBLEM

Our objective is to build the schools we need and to provide our teachers with salaries that are commensurate with their training, their place in the community, and the market situation. The required resources are as follows:

	1955	Rise in 10 years	Total, 1965
Teacher and other pay, etc.....	\$5,000,000,000	\$10,000,000,000	\$15,000,000,000
Capital.....	2,000,000,000	1,000,000,000	3,000,000,000
Other current outlays.....	2,000,000,000	2,000,000,000	4,000,000,000
Total.....	9,000,000,000	13,000,000,000	22,000,000,000

My estimates are based on the following assumptions:

#### Teachers

1. We want the pay of teachers once again to be established vis-a-vis the average member of the working population or the per capita income of the Nation at the 1930 ratio. Whereas in 25 years the gains of the population amounted to 106 percent in stable dollars, those of teachers rose only by 35 percent, or one-third as much. This would require \$2,000 per year per teacher additional (or an average salary of \$8,000), or \$2.2 billion per year additional.

2. Teachers should share equally in the expected gains of the economy over the next 10 years—3 percent a year or 40 percent in 10 years, compounded. The costs would be \$2.65 billion, and teachers' salaries in 1950 prices would average \$8,500.

3. The cost of 350,000 additional teachers within 10 years would be \$3 billion. Hence the rise for teachers' pay would be about \$8 billion, or an increase of \$800 million per year over the next 10 years. In addition, other instructional costs would rise by \$2 billion in 10 years.

#### Construction costs

4. I assume a backlog of 312,000 classrooms, a need of 420,000 for additional enrollment, and 220,000 for obsolescence (2 percent of classrooms per year). These are the needs for 10 years.

5. I estimate the average cost per schoolroom over 10 years at \$45,000. In 1953 the estimate was \$36,000 per room. By 1955-56, the cost had risen to \$39,000. In 10 years a rise of 25 percent is a modest estimate—even with no general inflation.

6. Unlike the National Citizens Commission for the Public Schools, I assume current financing except when the construction is abnormal; e. g., growth not to be sustained; and backlog. The latter are amortized over 50 years, and financing at 4 percent. Hence my estimated costs are \$1 billion yearly more than the Commission estimate—I allow for the rise in backlog, higher costs per room, and less long-term financing.

My estimate of \$22 billion per year in 10 years (a rise of \$1¼ billion annually) should be compared with an increase to \$13.9 billion or \$18.9 billion by the National Commission—at 2 different standards, \$311 or \$432 per pupil—made 2 years ago.

At this point where I am commenting on their statistics, I should pay tribute to the National Citizens Commission for the Public Schools and especially to its chairman, Roy E. Larson, and their public education finance committee and notably their chairman, Beardsley Ruml, as well as the fund for the advancement of education for the superb job they have done in getting at the facts and alerting the public.

**HOW MUCH OF THE ADDITIONAL \$1.2 BILLION PER YEAR NEEDED CAN STATE AND LOCAL GOVERNMENTS CONTRIBUTE?**

In a table below, I summarize some statistics which throw light on what we might expect on the basis of past achievements. I need not tell this audience that State contributions have tended to rise more than local contributions. In the years 1920-30 to 1933-34 they rose more than four times as much percentagewise as local outlays on public schools. Nevertheless, the ratio of local to State expenditures is today about 5 to 3.

On the basis of the history of the last 17 years (1938-55), we might expect annual increases of \$560 million in current dollars, or about one-half of what is needed. On the basis of 1930-35, the expected rise would be \$720 million, or about 60 percent of the required sum. These latter increases could continue on the theory that national income would rise as in the past.

State and local government revenues account for 7 to 8 percent of GNP. Hence a rise of GNP by \$15 billion yearly would yield about \$1.1 billion of additional revenue for State and local governments per year. Actually from 1950 to 1955 State and local revenues increased by almost \$2 billion yearly, or 9 percent of the rise of GNP. There is some question whether this pace can be maintained.

**Relevance of inflation for State and local outlays**

But in any case these are optimistic estimates. We are looking forward. We are assuming stable prices. Insofar as we do not get stable prices, we are in more trouble. Had the gains of our rising productivity been taken in reduced prices instead of rising incomes, the school problems would have been much less serious. But they largely were taken in rising incomes for labor and management. This is what largely brought about serious problems: School revenues could not respond.

Every 1 percent rise in prices costs the school budget about \$100 million per year today and perhaps \$200 million in 10 years. Hence it is easy to see that a 3 percent inflation per year would consume \$300 million per year today and \$600 million in 10 years or deteriorate the school product correspondingly.

How serious the inflation problem is, is suggested by this table. At 1938 prices the annual rise of outlays for schools from 1938 to 1955 is reduced from \$150 million to \$59 million for State government and \$400 million to \$34 million for local government. The greater relative decline for local outlays is explained by the larger local school budget in 1938 (more than three times as great) and the much larger relative rise of State outlays. In other words, the vast rise of outlays by local government primarily offset the fall in the value of the dollar. The decline is not so great if the totals are put in 1955 dollars; but the more significant figures are in 1938 dollars.

Our estimates for the future are in terms of dollars of current purchasing power. But note that even the 1950 to 1955 gains are cut by about 45 percent when put in 1950 dollars. This large decline occurs though prices rose by but 13 percent. The reason for this is that the rise of prices cuts the command of goods and services of the whole educational budget. Thus a 10 percent rise in prices roughly means an annual loss of \$1.2 billion in the current school budget.

**Average annual rise in public school expenditures, 1938 to 1955 and 1950 to 1955, in current and stable dollars**

(In millions)

	1938 to 1955		1950 to 1955	
	State	Local	State	Local
Current dollars.....	\$150	\$400	\$220	\$500
1938 dollars.....	59	34		
1955 dollars.....	112	45		
1950 dollars.....			147	281

Sources: United States Census, Historical Statistics on State and Local Government Finances, 1902-53. 2. State Government Finances in 1955. 3. City Government Finances in 1955. Also, Financing Public Education in the Decade Ahead; The Economic Report of the President, 1957; and U. S. Department of Commerce, The National Income, 1954.

*Possible additional contributions by State and local governments*

In view of the inflationary dangers we would be overly optimistic if we assumed that we could provide from State and local governments more than the \$720 million average rise of 1930 to 1935 in dollars of stable purchasing power. Other estimates yield even smaller sums. Should State and local governments obtain 8 percent of the rise of GNP, that might yield \$1.2 billion of additional revenue. Since schools require about one-third of this total budget, the appropriate sum would be about \$400 million additional each year over the next 10 years. This is also an optimistic estimate if allowance for a rise of expenditures for higher education of  $\frac{1}{2}$  to 1 billion in 10 years and the great increased pressures to spend on roads. Should the State and local governments continue to attract a rising proportion of GNP as in the recent past, then the increase might be as much as \$500 million (10 percent of the annual rise of \$1.5 billion for State and local government revenues; the latter equals 10 percent of the increase of GNP).

Putting all these estimates together I estimate \$600 million as a likely annual rise (in 1936 dollars) and less insofar as inflation continues. This is roughly one-half of what we need. I emphasize the point that any large inflation as from 1938 to 1935 might wipe out as much as five-sixths of the gain.

*Improvements in fiscal policy and school operations*

Obviously any improvements in fiscal policy would be helpful. In the last 17 years, local governments have improved their position by resorting to new taxes. Since prewar taxes other than GPT have risen by more than \$1 billion or 885 percent. But there are distinct limitations here as anyone who is aware of the possibilities of avoidance, the difficulties of administration, and the fear of intercity and interstate competition is aware. Local sales and income taxes are not strikingly successful.

More important are the possibilities of making limits on bond issues and assessments on property for educational purposes more realistic. Many local communities tend to shirk their responsibilities. The situation would be greatly improved if State aid were distributed more clearly on the basis of need and requirements of minimum efforts on the part of local government.

Finally, we should not leave out of account the possibilities of economies. The Fund for the Advancement of Education and the National Commission for Public Schools have been eloquent on this point. Consolidation of school districts; relief for teachers from nonprofessional tasks; the exploitation of new methods of communication—all these are relevant.

It is asking too much to expect the schools to increase their man-hour output 3 percent per year, the experience of our economy. But it is well to observe that an improvement of 1 percent per year, or the equivalent of at least \$100 million per year now and \$200 million per year 10 years from now, might well be expected.

*Differences in local capacity*

I need not discuss here the large differences in local capacity to pay the educational bill. How to deal with this problem? Obviously State aid is an important corrective and especially on an equalization basis. Where the States contribute most, the GPT is unproductive, local tax yield relatively small, and educational standards low.

	Percent State aid	Local taxes, percent income payments	Current expenditures per student in average daily attendance
12 States with highest proportion of State aid.....	182.9	2.30	\$145.34
12 States with lowest proportion of State aid.....	122.3	4.95	230.44

<sup>1</sup> And over.

<sup>2</sup> And less.

Source: Commission on Intergovernmental Relations, *Federal Responsibility in the Field of Education*, 1935, pp. 68-69.

## FEDERAL RESPONSIBILITY

*Why a national problem*

For many reasons the Federal Government should assume some responsibility for school finance—either because policies of the Federal Government aggravated the crisis or because the issues transcend local or State lines. The very fact that

capacity to finance the schools among States once differences in income per child are taken into account vary in the ratios of 5 to 1 suggest the need of an equalization formula imposed by the Federal Government.

War, hot and cold, inflation, high money rates, unusual pressure on construction supplies and service, the Federal grant-in-aid programs of around \$5 billion in fiscal year 1958, which distort spending patterns of State and local governments against education, the arrogation to the Federal Government of the most productive sources of revenues—these are among the factors that point to Federal assumptions of responsibility.

#### *Federal resources and obligations*

How much the Federal Government can do is related to its other responsibilities. But with an annual rise of gross national product of \$15 billion per year and with military outlays declining, or at least not increasing, the Federal Government can do much. In 1954, the Government cut taxes by \$7½ billion or more, reduced military outlays by \$10 billion or more (despite a rise of gross national product of \$35 billion), and cut civil benefits from 1954 to 1956. The tax cut now costs the exchequer about \$9 billion per year, and at incomes of 1965, about \$11½ billion. The President's Commission on Intergovernment Relations (CIR), reporting in 1955, as well as the President said that now, that is, in view of Federal tax cuts, State and local governments can assume their responsibilities.

#### *Federal tax cuts and State and local finance*

But these taxes remitted by the Federal Government are not available to these governments. The President and his Commission seem to be unaware of the issue of State and local competition which frightens these governments away from increased services and taxes. The theory that the same resources are available to these governments as to the Federal Government is nonsense. Even New York State cannot finance its school adequately and would profit from a Federal program which involved it in more payments qua taxpayers than receipts. In my State, the remission of Federal taxes borne by Massachusetts equals roughly the total tax bill of almost \$400 million for the Commonwealth. Yet the Governor is confronted with a crisis in trying to find even \$75 million additional. How much wiser if the Government had allocated \$2½ billion of the \$7½ billion tax cut (\$4 billion in 1965) for school aid!

#### *Capacity of State and local governments*

The President and CIR try to show that the States and local governments have the resources to finance the school bill. But no proof is offered other than statements of Federal tax remission, the decline of State and local taxes vis-a-vis income (and the rise of Federal taxes), the reduced differential of income between rich and poor States in part related to progressive taxes, the tendency of enrollment to increase in the richer States, the large rise of expenditures from 1900 to 1950 for the public schools.

None of these arguments seems convincing. In fact, most of them can be used to support Federal aid. The rise of Federal taxes, for example, makes it more difficult for State and local governments to finance education; and the vast increase of outlays in public schools suggests that it may be more difficult to expand outlays in the future. One curious argument used is that since State governments have distributed school funds so badly they cannot be trusted to distribute Federal funds. But Federal equalization formulas and requirements of a minimum effort—e. g., X percent of income to be spent by States and cities as a condition of help—would improve State distribution.

#### *Failures of the Eisenhower administration*

It is not surprising, in view of the position taken by the CIR and its study group which reflect administration views, that after 5 years of the Eisenhower administration, no money has been made available for the public schools other than emergency outlays for defense areas. In fact, the 1958 budget includes \$185 million for expenditures on school construction, and the President once more has proposed to spend \$1.2 billion now over a period of 4 years. But even \$1.2 billion over 4, or more likely 5-6, years seems rather insignificant against a need of (say) 500-600 million dollars per year of Federal aid in the first year and possibly 5-6 billion dollars additional by 1965, or against a 10-year school construction bill of \$40 billion. (An official estimate puts the total at \$40 billion.) This program might be compared with total outlays of around \$3 billion per year for 18 years for roads with Federal grants accounting for about 75 percent of

costs and Federal grants in school construction accounting for about 2-3 percent of costs over 10 years.

Unfortunately, the administration started with complete skepticism concerning Federal aid. But under pressure in 1955 the administration proposed to spend \$200 million over 3 years and provide financing through State school building authorities. Unfortunately, few States could profit from the latter, since the authorities were not generally established. Nothing came of this.

Mrs. Hobby, head of HEW, tried hard to prevent any legislation. In 1954, Senator Cooper led a fight for an aid bill, but his views did not prevail. Mrs. Hobby insisted that there were no acceptable formulas for aid, no acceptable measures of fiscal capacity, and that Federal aid meant control as well; and then she introduced a numbers game in which the number of schoolrooms required was steadily whittled down—despite the most careful survey ever made by an expert committee.

The 1955 legislation was an improvement. But southern Congressmen feared administrative action against the South because of failure to integrate. Republican Congressmen killed the bill, first by voting in favor of the Powell amendment and then at the last moment insisting on the introduction of the administration bill as a substitute for the Kelley bill, which had been under consideration. There were some differences in the bills; but either would contribute something to solving the classroom problem.

"There was a general understanding among supporters of the legislation, both in the House committee and outside the Congress, that no serious effort would be made to change the formula or other essential parts of the grant-in-aid title of the Kelley bill in the House, but that a compromise on these differences of detail would be effected in the Senate." (Council of Chief State School Officers in Nation's Schools, August 1956.)

"Republicans favored the Powell amendment finally adopted by a 148 to 46 margin. They voted against the bill itself by a margin of 119 to 75. It is a fair conclusion that while southern Congressmen had their own reasons for voting against the bill, the majority of Republicans—even with the Powell amendment included, as they desired—voted against the bill because they did not favor Federal support for education." (Ibid.)

The comment of the New York Times (July 15, 1956): "First 148 Republicans in defiance of the President's wishes, supported the Powell amendment denying school aid to States practicing school segregation. That assured southern Democrats opposition to the bill. Even so, it would have passed if 119 Republicans had not broken with the President again to join the southerners in downing the measure."

Mr. BAILEY. The Chair notes in the committee room this morning the presence of a group of Missouri high-school principals. I will read off the names and will be glad to have you stand and be recognized by the committee: Mr. Paul Province, Ruskin Junior High School, Mills, Mo.; Mr. Blaine Stick, Ruskin Senior High School, Hickman Mills, Mo.; Mr. W. F. Gaunt, Afton Senior High School, St. Louis, Mo.; Mr. Tom Foraker, Center Senior High School, Kansas City, Mo.; Mr. Hirschel Neil, Blue Springs High School, Blue Springs, Mo.

Thank you, gentlemen.

We have as our first witness this morning a gentleman who was kind enough to stay over in Washington for the weekend in order to make an appearance. He was supposed to testify on Thursday last. He is Mr. Louis H. Schimmel, president of the Pontiac, Mich., Board of Education.

Mr. Schimmel, you may proceed.

#### STATEMENT OF LOUIS H. SCHIMMEL, PRESIDENT, BOARD OF EDUCATION, PONTIAC, MICH.

Mr. SCHIMMEL. Thank you, Mr. Chairman. In order to just summarize the background of the Michigan situation prior to 1955, I would like to just review what happened from the 1920 period when Michigan

was financing its school buildings in the then postwar period by the issuance of bonds spread over a 25-year period. Michigan was able during those postwar years of World War I to take care of its building needs by so-called long-term financing. Then came the depression of the 1932 period when impounded funds and closed banks and decreasing valuations and shrinking tax collections brought on a situation where Michigan just could not cope with its financial problems. We had never anticipated that municipal securities would go into default and it took us time-consuming years to develop a solution for that difficulty that was not uncommon nationwide.

During that depression period the voters of the State of Michigan adopted what is known commonly in Michigan as the 15-mill amendment. In November 1932 the voters of the State of Michigan approved a constitutional amendment that limited the tax rate on real property for all purposes to 15 mills or \$15 on each \$1,000 of taxable valuation. The amendment provided that that limitation could not be exceeded except by a two-thirds vote of the taxpaying electors and then only could be exceeded for a 5-year period.

The constitutional limitation on taxing power made it possible thereafter to issue long-term bonds because the taxing power to pay the bonds was now restricted by that amendment both in time and amount to 5 years for which additional taxes could be authorized.

This financing made it possible to raise enough money to build schools in a relatively short period of time with a relatively small increase in the tax limitation. No market could be found for long-term school bonds that carried such short-term guaranties of ability to pay.

In the years immediately following World War II, it was apparent that the shortage of schoolbuildings would soon become one of our major problems, and by 1948, many districts began to discover that the 15-mill tax rate limitation made it impossible to borrow money to finance new building programs, because loans had to be paid so fast over such a short period of time.

In order to overcome the limiting provisions of the Constitution, the school leaders in Michigan in 1948 initiated an amendment which liberalized the restrictions by providing that the tax rate limitation could be exceeded for a 20-year period instead of 5 years and that such authority could be granted by a simple majority of the voters instead of the two-thirds majority originally required. It was pointed out by municipal experts to school people that the proposed constitutional amendment was not a solution. It merely extended the time of limitation and did not reach the hard-core problem of limitation on tax rate and time.

However, the amendment was adopted and from 1948 to 1954, Michigan school districts financed \$210 million of new school buildings. Although this afforded some much needed relief, the inadequacy of the amendment became increasingly apparent as debt service tax levies became disproportionately high and large debt service reserves accumulated in school district treasuries. Taxpayers were forced to pay in 7 to 10 years the entire cost of buildings that would serve the community for 30 to 40 years or longer. Under such financial handicaps, it was impossible to develop long-range financial programs.

What happened under that amendment was that, when you restricted the time and amount when a district would vote increased taxes to

support a bond issue, it would be necessary, in order to sell the bonds, to make levies as much as 50 percent higher than the actual amount needed to pay principal and interest. It was necessary to vote the increased millage over a period longer than the bonds matured in order to provide a cushion at the end of the bond schedule in case anything went wrong during the regular maturity year so that there would be some period in which adjustments could be made.

Under that arrangement although it was legally possible to vote taxes for 20 years, the practical problem faced in creating a market for those bonds was that they were actually issued over a 15-year period and carried required levies that were  $1\frac{1}{2}$  to 2 times more than was needed to pay annual principal and interest. That surplus that came in had to be placed in a debt-retirement fund.

Enough of it had to be withheld to pay 1 year's principal and interest and the accumulation over 1 year's principal and interest, which was called a reserve fund, had to be used for the mandatory redemption of callable bonds so that what actually was happening was that, although you had 20 years to issue the bonds, they could be issued for 15 years and because of the overlevies and forced retirement some of the bonds were being paid as fast as 15 years, although they ran 16 years.

In September 1954 the shortage of classrooms predicted for several years became a reality. The emergency required that something be done and quickly.

A study committee working with the State department of public instruction proposed a bill for the Michigan Legislature for introduction in January 1955, which authorized the State of Michigan to borrow \$200 million and make direct loans to distressed school districts for the purpose of constructing new classrooms.

It was an emergency measure designed to solve the immediate problem for a limited number of school districts.

It appeared that the legislature would pass the bill because there was unmistakable evidence in Michigan that the people were ready and willing to do something about their problem.

Unfortunately, during that period there was frequent and careless use of the term "distressed school district." The term carried the implication that districts could not afford to pay for more schools or that debt limits were so high that schools could not afford to borrow money. Nothing was further from the truth. Poverty or size of debt was not responsible.

The real reason was the limitation on taxing powers. Leadership had failed to come to grips with that problem and again in 1954 attempted to bypass it. At that point a small group of lay citizens aided by a few professional educators undertook the task of developing a solution based on a debt analysis compiled in 1949 by the Advisory Council of Michigan.

That study clearly indicated that Michigan had to face up to two crucial issues if it really wanted to solve its school building problem:

First a new avenue of financing had to be opened which would remove the existing handicap of constitutional restriction on taxing power. Second, reasonable protection had to be provided against excessive taxation of real estate if the tax limitation was removed.

That was a very difficult problem to look at in Michigan because anybody who attempted to toy with the 15-mill constitutional limita-

tion that had been placed in the constitution in 1932 was faced almost surely with political suicide.

There had been built up a sort of halo around this constitutional amendment in 1932, and there was a very powerful political force in the real estate and taxpayers' associations throughout the State who just did not want anybody to touch that 15-mill amendment. It seemed that that was the one sure way of guaranteeing that taxes on real estate would never become as excessive as they were in the 1920 period.

Now, to meet that situation, if you were going to take that out of the constitution you also had to devise some means of guaranteeing to those people that tax burdens for the building of schools would not again become excessive if you took the limitation out of the amendment.

The story of how that solution was developed and substituted for the original bill introduced in the legislature is not significant here except to point out that, when all of the facts are made available through exhaustive research, we are in an excellent position to overcome political difficulties through informed and intelligent lay leadership.

That happened in Michigan. The Michigan solution required a constitutional amendment, two implementing legislative acts and an amendment to the school code.

The amendment was approved by the voters in April 1955 and the implementing legislation subsequently adopted in June 1955. The new laws accomplished the two major objectives necessary for a successful solution.

First, a new avenue of financing had been made available to all school districts; and second, through State assistance devices local property was assured that tax rates for school debts need not exceed a fixed minimum, if districts qualified.

What actually happened was that under the constitutional amendment we removed the restriction on taxing power so that it is now possible as it was prior to 1932 in Michigan to issue general obligation bonds payable from general ad valorem taxes without limitation as to time, rate, or amount. That is the way we had done it before 1932.

Secondly, by this device of State assistance we created a \$100 million State bond loan fund to relieve the local tax levy for the payment of school bonds. In any district where the tax rate becomes more than 13 mills to service debt, upon application of that district to the State it can receive from the State a loan representing the excess of 13 mills and what it would take to finance the debt.

Mr. BAILEY. Might I ask a question at this point? It is: Does that apply to any school district?

Mr. SCHUMER. It applies to every school district in the State and includes all of the bonds that were outstanding at the time the constitutional amendment was passed and to all bonds issued by all school districts or any school district in the State that now goes to the State department and has the bonds qualified.

We make it necessary for a district that wants State assistance to meet certain standards that the State has set up; for example, such things as the cost of the project within reasonable standards of cost



established by the State board of education. The State is not going to back a bond issue that is for something that is not for good educational purposes. That the project will provide classrooms and necessary facilities, including sites. We want to be sure that the whole project is built.

Mr. BAILEY. The Chair would like to inform the gentlemen that this newspaper here under date of Tuesday morning, February 19, a recent date, contains an Associated Press dispatch which says:

Last June, the people in Chelsea, Mich., decided to build a new high school. The two sections of the present school are 50 and 75 years old, respectively.

Charles S. Cameron, the alert, quiet-spoken superintendent of schools, said he expected more than 50, "and maybe 100," additional students within a year.

So, in June, the people voted to spend \$2.2 million for a new school. They approved a bond issue for that amount, in other words, to go into the market and borrow the money.

The district has a good credit rating. Advertising for bids, however, at 4 percent interest, there were no takers for the total. In October, the bids were reoffered at 5 percent.

This time there were three bids. The bonds were sold at 4.189128 percent interest.

Now, what do those six figures after the decimal point mean in money?

In dollars and cents that means that that school board had to pay \$77,000 additional interest. Just where is this setup in Michigan functioning when a situation like that develops? Why did they not go to the State and borrow from this \$100 million revolving fund?

Mr. SCHIMMEL. The Chelsea School District bond issue to which you referred was sold on October 22, 1956, \$2,200,000 at an average interest rate of 4.1891. The school district, to carry that bond issue, would have to pay if it had financed it under the old terms, a tax rate of \$17.22. Under the new plan by spreading it over 25 years it pays a little less than \$7 to carry the tax.

Mr. BAILEY. What you are trying to sell the committee is the idea that you are able to handle the situation with this \$100 million revolving fund out of which the school boards can borrow from the State fund. I am asking you, why did you not handle this Chelsea situation? Why did they go to the open market to sell the bonds?

Mr. SCHIMMEL. We did handle the Chelsea situation under the provisions of the new amendment.

Mr. BAILEY. Did they borrow from this \$100 million?

Mr. SCHIMMEL. No.

Mr. BAILEY. Then you did not handle it.

Mr. GRIFFIN. Mr. Chairman, if I may interrupt, I think the witness has pointed out that there are several aspects to the changes in Michigan. One is to make it possible for the Chelsea School District to borrow this money and pay it back over a longer period of time and also there is the change in the debt limitation which made it possible for Chelsea to float this bond issue. Under the old law they would not be able to do so.

Mr. BAILEY. I appreciate the background information which the witness has given the committee. I still cannot understand why you want to take credit for a plan that is going to help the districts when you did not help this particular district.

Mr. SCHIMMEL. This district, Mr. Chairman, could not have sold the \$2,200,000 bond issue under the old laws prevailing prior to 1955.

Mr. BAILEY. I take that for granted, but why, since you change your constitutional limitation and there is no limit on the length of the bond issue, did not your statewide revolving fund come to the rescue of this district?

Mr. SCHIMMEL. It did. The State revolving fund qualified this bond issue for State assistance and the people of Chelsea, if they ever have to levy more than 13 mills to finance that \$2,200,000 bond issue, can get the money from the State.

They must determine year by year whether they have to have more than 13 mills or not. That issue is qualified. That issue can get money from the State if the Chelsea taxpayers have to pay more than 13 mills to service that debt.

Now, the way the bonds were originally set up it would have taken 17 mills to have serviced the bond issue. By spreading it out over 25 years it takes \$7 in round figures to service that debt.

Mr. BAILEY. What you are telling me is that they did not qualify for participation in this revolving fund.

Mr. SCHIMMEL. The bonds are qualified but they do not need it this year. In any year in which they have to push that \$7 tax rate up to \$13 the State will step in.

Mr. BAILEY. You may proceed with your regular testimony.

Mr. SCHIMMEL. This may touch on it.

One of the most difficult questions to be answered in the search for a sound solution to the school building problem is how to measure need. By what standards do you determine whether or not a school district is doing all it can or should to provide adequate school facilities? What constitutes maximum local effort and how is it measured? How is the 13-mill tax rate determined in Michigan?

Past experience in Michigan shows that schools have been able to provide adequate funds from local taxes to finance a debt equal to 15 percent of the taxable valuation of the district if the debt is amortized over a 25-year period. Using this as a measure of local effort, beyond which a hardship tax burden would occur, the figure of 13 mills was reached. Thirteen mills is the tax rate that will produce a tax levy sufficient to pay a 15-percent debt bearing interest at 5 percent, amortized over a 25-year period. That is our formula. Therefore, 13 mills was determined to be the measure of local effort beyond which tax relief should be made available and is made available through the State-created fund of \$100 million.

Many school-building programs in Michigan have been delayed as much as 2 and 3 years because new taxable wealth already present or evident, has not been reflected on the tax roll.

We have many fast-growing areas in the metropolitan area of southeastern Michigan where Ford or General Motors or some factory will come in and start a foundation for a \$25 million building. It takes 2 years to construct it. People immediately start developing home-building projects. The children are there before the factory is finally completed and before it finally gets on the tax rolls.

It is in that period when the valuations are very, very low but the valuation is going to be there as can be evidenced by the buildings not on the tax rolls that this amendment is designed to relieve by removing the debt limit and by assuring State assistance to make adequate funds available to pay debt obligations properly.

It has been possible to remove the obstacles confronting those so-called distressed school districts; namely, high taxes and, second, marketability of bonds. Those are the two things that have made it impossible for those fast-growing areas to finance the school buildings when they need them. They did not have the taxable valuation and the marketability of bonds was not good because of the ratio of debt to valuation so that the State aid funds step in there as a guaranty.

Mr. BAILEY. Now let me ask you a question at that point. Do you have the problem of bedroom communities in Pontiac?

Mr. SCHIMMEL. Indeed we do.

Mr. BAILEY. I assume that yours is an independent school board.

Mr. SCHIMMEL. That is right.

Mr. BAILEY. What is the situation of the school boards in these bedroom communities outside?

Mr. SCHIMMEL. Probably one of the most densely populated bedroom communities is the Waterford Township School District west and south of Pontiac. They have been able to build all of the schools for which they can get the brick and mortar and plans to develop under this program with a tax rate of 13 mills. Until this went into effect they were completely stymied because they could not vote enough taxes in Waterford Township under the constitutional amendment to provide the funds to pay the necessary costs of buildings over a 6-year period. They now spread it over 25 years and under 13 mills can build all the schools they need.

We in Pontiac are a rich district. We can build all the schools we need for less than \$3.

Mr. BAILEY. That brings the Chair to the point of asking the witness this question: What is the object of your appearance before the committee?

Mr. SCHIMMEL. To point out that by this device of making it possible to finance over a 25-year period plus the establishment of a \$100 million insurance fund by the State of Michigan, it has made it possible for all school districts in the State of Michigan to use all the means that they need to build all of the school buildings needed to house the children there or that can be foreseen in the foreseeable future. That is the purpose.

It is a unique device that we think we have worked out in Michigan that lets us in the wealthy State do the job without running this risk that we had in the 1920's of people saying that school buildings cause confiscatory local taxes. When you get a tax rate beyond 13 mills which is the measure of local effort in Michigan, the State of Michigan steps in and carries the burden until the district grows and can carry its own burden.

It is not unlike the situation of a family. The rich, established State of Michigan makes available to its offspring, the small struggling, growing school district, the credit of the State of Michigan until the school district grows large enough to carry its own load. That is our situation.

Mr. UDALL. Is the State contribution a grant or loan?

Mr. SCHIMMEL. The State contribution is a loan.

Mr. UDALL. Why should it not be a grant?

Mr. SCHIMMEL. For this very reason: There are some school districts in the State of Michigan that at any one time could prove a beautiful case of poverty. For example, the Nonkin Mills district in

Detroit was faced with a \$350,000 bond issue when its total valuation was \$700,000, or a 50-percent debt. There is not a better example, a better case that can be made for a grant.

If you had made that district a grant of \$350,000, you would have found that 1 year later that \$750,000 became \$2 million and 2 years from now could well be \$5 million.

There is no good reason why that district should have a \$350,000 school building for nothing. There is good reason why it should be able to have assistance for the installment if it is paid over 25 years, so that under this plan we make them prove, year by year, poverty and need.

Mr. UDALL. As a school board member, are you opposed on principle to the idea of the States providing assistance in terms of grants for building classrooms?

Mr. SCHIMMEL. Not if the grant is determined over the life of the structure. If it were necessary for the Nankin district, for example, to borrow for 30 years so that it would be proved that for over 30 years it needed help, I am perfectly willing to say that that measures the assistance that should be given by the State; but I am opposed to making a grant today to a district that 3 years from now has more than adequate wealth to carry all of its loans.

Mr. UDALL. I would probably agree on that aspect of the problem but one of the provisions embodied in the legislation we are considering and which we think will eliminate a chief source of the trouble is to require matching by the States because it is our feeling or the feeling of some of us at least that if the States had played a part and had contributed substantially toward the funds used to build classrooms and if the entire State had been used as a tax base that we would not be in the predicament in which we find ourselves in many States, because unlike Michigan, and you have just barely accomplished it, most of our States do nothing toward the building of classrooms within those States.

Mr. SCHIMMEL. I feel that every State should make the effort to demonstrate that it is doing all it can to solve its own problem such as Michigan has done and, if they do that, they may discover, as Michigan has, that they can do the job without any outside assistance.

Mr. UDALL. If Michigan and about 30 other States had done what you have just accomplished 13 or 20 years ago, it is my opinion that the present shortage which we have would perhaps not have come into existence, but I did want your opinion as to whether, as a matter of principle, you have any objection or feel that there should be any objection to using the entire tax base of the State and having the State either to get us out of this crisis or, on a permanent basis, to let the State bear part of the responsibility of building school classrooms.

Mr. SCHIMMEL. If you can demonstrate proven need over the life of the structure I have no objection; but there must be that qualification. I think that is the one way to measure need.

Mr. BAILEY. Have you concluded your formal testimony? If not, you may proceed with your testimony.

Mr. SCHIMMEL. I want to point out what has happened under the amendment.

Since June 15, 1955, when the first bonds were sold, up to February 15 of this year, \$235,895,000 of bonds have been sold in Michigan, or in round figures, \$236 million.

One hundred and seventy-nine million dollars of those have been sold under the provisions of the constitutional amendment and \$36 million under the old laws. You have the option in Michigan now of doing it in one of two ways. All this did was to open another avenue optional with the school district if they want to follow it.

An analysis of those 228 bond issues shows this: That 26 school districts sold bond issues totaling \$22,641,000 which bonds could not legally have been issued under the constitutional and statutory restrictions prevailing prior to the 1955 amendment. So that 26 school districts issuing \$22 million in bonds have been able to take care of school building needs that could not have been legally taken care of before.

Fifty-four districts with \$46 million of bonds have taken care of their situations that might not have been able to sell the bonds before because the tax rates would have had to have been moved so high that it is doubtful whether the taxpayers would have approved them and if they had been moved up the coverage would have been so thin that you would not have been able to market the bonds. Some idea of the amount of tax relief afforded by the new type of financing can be obtained by assuming that all of those bonds could have been sold under the old provisions.

If the \$22 million referred to above had been sold under the old provisions, it would have cost the taxpayers in those combined districts \$3,317,000 to service the combined debt per year. Under the actual terms that now exist it cost \$1,459,000, or less than half. In the 54 districts it would have cost under the old provisions \$6,813,000 a year carrying charge. Under the new provisions it costs \$2,900,000.

Now, a poor, distressed district, and those are the districts we are trying to help, is not a district that can afford to pay the taxload on a pay-as-you-build plan or over a short period of time. What that type of district wants is the opportunity to buy on reasonable tax terms all of the school buildings it needs at the time they are needed.

Michigan has provided its citizens with this opportunity to build now the schools that are needed now for the children who are here. The key question is not how much will the total cumulated cost be over 25 years, but rather how little does it cost per year in tax dollars to provide the buildings now. That is the crux of our whole approach.

On that basis let me just take a typical example of a home that in Michigan carries a \$5,000 tax rate, a sizable tax rate. Under the old terms it would have cost this district \$22.70 a thousand or \$113 a year to pay its school building tax but in 8 years it would have cost that home \$908. By spreading it over 25 years it is going to cost more. It is going to cost \$1,328 or \$328 more, but what does the homeowner in that district get?

Instead of paying \$113 a year for his school, he pays \$49 a year and the difference, spread over a 25-year period, of \$300, is about a dollar a month. That is what the amendment does. It lets the fellow in the little district that cannot afford to pay \$113 by the schools he needs today when he needs them for the children that are here at \$49. His alternate under the old scheme was to buy half as many schools and go on half-day sessions.

Mr. BAILEY. Let me ask the witness, do you have any shortage of schoolrooms in Pontiac?

Mr. SCHIMMEL. No.

Mr. BAILEY. That is in the city district.

Mr. SCHIMMEL. That is in the city district. We have been able to keep pace with the growth. Pontiac has a 10-year building program that is built on the children who are here for 5 years and a projection of the number that is going to be born in 5 years and we have been able to keep pace with our school building needs, to provide all the rooms that are necessary on this program.

Pontiac is a rich district and it has not much of a taxload but by being able to spread this load out it does help us solve the problem that is not before this committee but the problem that is vital and is a serious problem in Michigan, the operating side of the school budget.

Michigan, from the standpoint of its school building needs, has been able to take care of them on a clear-cut situation and finance the building. As far as its operating program is concerned, it is a mess. We are short, and I hope this committee bears in mind when any Michigan representatives come here that we do not confuse the Michigan operating situation with the Michigan building situation. We can solve our building needs, but our operating side of the budget is very badly confused and is very much a matter of concern in Michigan at this very moment.

Mr. KELLEY. Mr. Chairman.

Suppose this bill passes with a direct grant to the State and the State of Michigan wanted some money and matched the Federal Government on a 50-50 basis. Would that relieve some funds for operating?

Mr. SCHIMMEL. The additional operating funds in Michigan have to be approved by the voters in each of the districts.

Mr. KELLEY. You mean the bonds?

Mr. SCHIMMEL. No, the additional operating millage that is needed. There is not enough money under the 15-mill constitutional restriction which still governs the operating side of the school budget to provide enough money supplemented by State aid to operate the schools without a deficit in many of the poor or distressed school districts in Michigan.

We are today roughly \$20 million behind in operating budget for the year that will close this June and under the present State-aid formula we will be \$20 million behind next year and the only way that that can be made up is for the local districts to increase the local tax burden by voting increased taxes. That is the operating side of the budget.

Mr. KELLEY. My thought was that, if there were some outside additional aid coming for school construction, it would relieve funds that would ordinarily go to school construction for operating costs and you would not need to raise the tax rate for operation any higher.

Mr. SCHIMMEL. We do not get enough out of our share of the 15 mills which is allocated by each county to the schools in the county to operate our schools in these distressed areas so that the school districts have to go out and vote additional increases.

Unless this money that is coming to Michigan could be used for operations direct, the school districts would still have the problem of voting additional millage for operations under the constitutional restrictions.

Mr. BAILEY. Do you have any questions, Mr. Metcalf?

Mr. METCALF. Mr. Chairman.

You have some State operation and maintenance aid in the State of Michigan, however, do you not?

Mr. SCHIMMEL. Yes, 2 cents out of the 3-cent sales tax collected in Michigan is earmarked and distributed to schools for school-tax purposes. It is \$20 million short this year.

Mr. METCALF. That is on the flat grant basis?

Mr. SCHIMMEL. No, it is on a complicated formula that starts out with establishing a base cost per student in Michigan of \$100.

Mr. METCALF. The school district does not repay that?

Mr. SCHIMMEL. No, that is part of the continuing operating budget of the State.

Mr. METCALF. That is an outright grant each year.

Mr. SCHIMMEL. Yes.

Mr. METCALF. That is made to the school district.

Mr. SCHIMMEL. It is not in the form of a grant. It is in the form of a legislative formula that ties in the total distribution of funds.

Mr. METCALF. If your district, after the operation of the formula, gets the money, do you have to repay it?

Mr. SCHIMMEL. From the State?

Mr. METCALF. Yes.

Mr. SCHIMMEL. No.

Mr. METCALF. That is all I wanted to know. Now, do you have any provision for a similar State aid program for school construction?

Mr. SCHIMMEL. If the millage becomes 13 mills.

Mr. METCALF. I understand the provision that you put up awhile ago. Do you have any other provisions for State aid for school construction other than this loan program that you outlined in your original testimony?

Mr. SCHIMMEL. No.

Mr. METCALF. If this program of the \$100 million that you outlined in your original testimony is in a district and a district becomes eligible for participation and aid under that fund and has more than 13 mills levied for the entire 25 years of the loan, is there any provision to give them a grant?

Mr. SCHIMMEL. By that time the loan would be accumulated over 30 years and we would have an amount of money owed by that school district back to the State. It is not spelled out in the law but the State has under those circumstances in a depression period waived that loan. The State could waive the loan to that district.

Mr. METCALF. But it does not under the present system.

Mr. SCHIMMEL. It does not stipulate that; no.

Mr. METCALF. So that, unless there is some further legislation or some further action on the part of the State, the school district then will have to repay to the State the amount of the loan.

Mr. SCHIMMEL. By that time the loan would have been paid and the school district would continue to levy the same tax that it has now and pay back the State for the excess. It fixed the tax rate in that case of a uniform 13 mills right across the board.

Mr. METCALF. That is all.

Mr. BAILEY. Mr. Haskell.

Mr. HASKELL. I would like to commend the witness. I think his testimony is very interesting. I have enjoyed hearing what happened in Michigan. You are the second State representative to come before

us. The representative from Wisconsin said they could take care of their own needs or are doing so and it would appear that Michigan is taking care of their construction needs in any case.

Mr. SCHIMMEL. That is right.

Mr. HASKELL. I for one think that when a State takes the responsibility of educating the children that is very fine. I would like to ask one question. What is your opinion about the need to stimulate the States which are not living up to their responsibility in providing needed classrooms?

Mr. SCHIMMEL. I presume at the national level you could do exactly the same as we have done at the State level, establish a measure of local effort. That is a very difficult thing to do in the different States but, if you could have the benefit of the same research and complete facts as we have in Michigan, I would think that the people of that State could establish a fair measure of local effort. That is the most difficult question in the whole problem: How do you measure need.

You know, gentlemen, as I do, having worked with this for 30 years, that as you increase the amount and the ease with which you make so-called free moneys available the need seems to grow.

Mr. HASKELL. Do you feel, then, that it would be a possible responsibility of the Federal Government to, say, require a matching on the part of the State which has a great classroom shortage in order to stimulate it to do the job?

Mr. SCHIMMEL. I would think so. I think you must encourage by whatever formula you devise the full effort, the maximum effort.

Mr. METCALF. Mr. Chairman.

Will the gentleman yield?

Mr. HASKELL. Yes.

Mr. METCALF. You do not think that the State of Michigan would qualify for a nickel of Federal funds under this program that has been outlined here, do you?

Mr. HASKELL. If they are taking care of their needs they do not need to be stimulated.

Mr. METCALF. Under this loan program that the State of Michigan has outlined there is not a school district in the State that would get a bit of Federal funds under the administration program.

Mr. SCHIMMEL. That is absolutely correct.

Mr. BAILEY. The Chair feels inclined to question that statement to this extent: That would be true probably under direct grants but under title 2 of the administration proposal they would benefit because the interest rate there proposed is 3.7 percent and the best you could do for this Chelsea district was 4 point.

Mr. SCHIMMEL. Let us talk about that.

Mr. BAILEY. I would like to talk about it, but we have a lot of other witnesses.

Mr. SCHIMMEL. Let me make this comment. We have had that question before us in Michigan on several of these districts that, like Chelsea and others, have screamed to high heaven about high interest costs. When you reduce it in terms of tax rates over the life of the issue it varies from 3 cents to 29 cents a thousand. That is how little it is. A great deal of emphasis is placed on accumulating the increased additional cost but take the additional cost as against any cost that anybody can set up as much as 1 percent less than what they sell them for and if Chelsea sells at 3.1 instead of 4.1 it could well fall within the



range of 3 to 20 cents additional cost per thousand for those taxpayers in that district. That is all. It is just a drop in the bucket about which they make an awful lot of publicity. It means very, very little out of the taxpayers' pocketbook.

Mr. BAILEY. It is plain that if the legislation is approved a lot of your school boards would, under the revolving fund of \$750 million provided in title 2, take advantage of selling their bonds to the Federal Government rather than using your Michigan plan because they can do it for an interest rate of a half cent less than your Michigan proposal.

Mr. HASKELL. That depends on the bonds.

Mr. SCHIMMEL. It would depend on many things other than the measure of half of 1 percent.

Mr. BAILEY. Do you approve the proposal in title 2?

Mr. SCHIMMEL. I do not.

Mr. BAILEY. Are there any other questions?

Mr. GRIFFIN. I have no questions.

Mr. BAILEY. Thank you for your interesting presentation.

At this time the Chair recognizes the presence in the committee room of one of our members of the general Committee on Education and Labor, Mrs. Green, to introduce some people that she has from the State of Oregon.

Mrs. GREEN. Thank you very much, Mr. Chairman. I am glad to introduce them.

I would like to preface it by saying that there is a great deal of statewide support in Oregon for the legislation in regard to Federal aid for school construction. I think that this support is based on a well-documented need in the school districts there and not because the local school districts or the State have not made the effort.

Believe me, in the last 25 years they have. We in our State as well as in many States have school districts loaded to capacity.

We have in the room today four people that are attending the Secondary Principals' Association meeting in Washington.

Also I would like to ask, Mr. Chairman, if I may, for unanimous consent for this group from Oregon to file with the committee a statement in regard to this legislation. I think they are not prepared to give testimony this morning, but I am sure they would like to file this statement in regard to the need in Oregon.

Mr. BAILEY. If there is no objection, the request of the Congresswoman from Oregon will be granted and they will file that with the clerk promptly so that it may be included in the printed record of the hearing.

(The information referred to will be available for reference when furnished.)

Mrs. GREEN. I would like to introduce to the committee a secondary principal from my own city, Mr. Ken Erickson, from Portland, and three other gentlemen from different cities in Oregon, Mr. George Erickson and Mr. Jim Davies and Mr. Nickerson.

I might say that I am personally very, very glad to have them here in Washington and to have them visit the committee.

Mr. BAILEY. We thank the gentlewoman from Oregon.

Our next witnesses will be from the State of Georgia.

Mr. LANDRUM. I would like to present these gentlemen to the committee.

Mr. BAILEY. Go ahead. I was wishing that you would do that.

Mr. LANDRUM. The committee, except for the new members that have come on this year, are pretty well grounded, I believe, in the information that Georgia has made considerable progress over the last 4 or 5 years in the solving of our school-construction needs in the State of Georgia.

Here with us this morning are four distinguished Georgians who have played no small part in this accomplishment. First, there is Mr. George Whitman, who is chairman of the State board of education and who is also chairman of the State school building authority which is the agency responsible for the financing of this new school construction which we have had.

Mr. Whitman, I understand will be the chief spokesman for this group.

Accompanying him are from up at Cornelia, Ga., a lifelong friend of mine, coming from the same general district that I do, Dr. Claude Purcell, who is assistant State school superintendent.

Also there is Mr. John Sims, who is a director of the State school building authority and Mr. Arthur Howell, who is counsel for the State school building authority.

It is a pleasure, I am sure, to the subcommittee to have you, and it is a genuine pleasure to me to be able to present you to this group.

**STATEMENTS OF GEORGE P. WHITMAN, JR., CHAIRMAN, STATE SCHOOL BUILDING AUTHORITY, AND CHAIRMAN, STATE BOARD OF EDUCATION; CLAUDE PURCELL, ASSISTANT STATE SCHOOL SUPERINTENDENT; JOHN SIMS, DIRECTOR, STATE SCHOOL BUILDING AUTHORITY; AND ARTHUR HOWELL, COUNSEL, STATE SCHOOL BUILDING AUTHORITY, STATE OF GEORGIA**

Mr. BAILEY. We thank the distinguished gentleman from Georgia, a member of our committee.

We will be pleased to hear the witnesses.

I would also like to ask one question of you, Mr. Whitman. In addition to being head of the school construction authority you are also chairman of the State board of education, are you not?

Mr. WHITMAN. That is correct.

Mr. BAILEY. You may proceed.

Mr. WHITMAN. I would also like to add that I am a businessman from Atlanta. I serve in these capacities without compensation. I am not a State employee.

We have no prepared statement. We sent up for your information, and I believe some of you have our very elementary booklet on the Schoolhouse Story that tells in layman's words how we have now underway a \$200 million school building program. This program had its creation in legislation in Georgia that is known as the minimum foundation program which was passed in 1949.

The legislation was activated and financed in July of 1951. That legislation provides \$14½ million each year for school construction.

We knew in 1949 and 1950 that our school housing was not adequate. So we began to make a survey of our needs. We have 159 county school systems in the State of Georgia and 41 independent city systems giving us a total of 200 school systems for that area. These

surveys were made by members of the State department of education, the university systems, the county superintendents of schools, and local surveying committees.

When the needs were determined we found that it would require approximately \$200 million to build the school housing needed based on the average daily attendance in the school year 1951-52. We are glad to report this morning that that program is 75 percent complete or let to contract, and we hope within the next 8 to 9 months to have completed it.

At the beginning of this program Georgia's need was 13,588 additional schoolrooms. Since that time through our increase in school population we have required another 4,213 schoolrooms and, based on our anticipated enrollment for this school year and our schoolrooms which have become obsolete since that time, a total requirement of 19,801 classrooms.

We have either under construction or completed at the present time 14,461 schoolrooms, and our present needs are 5,340, which we estimate will cost the State of Georgia approximately 88 more millions of dollars beyond the \$200 million program which we already have financed.

Now, we plan to finance that program ourselves. I speak for the State board of education and the State administration. We do not believe in Federal aid for school construction in Georgia. To use the term that is used by the Chrysler Motor Car Co., we aim to take care of our own. We feel that we have done that adequately up to this time and plan to go ahead with our proposed \$88 million program.

Mr. BAILEY. Let the Chair ask a question at this point. Are you doing any financing from private funds or are you financing this \$200 million program from \$14½ million State money taken out of your 3-cent sales tax?

Mr. WHITMAN. The \$14½ million is the first money that the State Department of Education pays out each year of its education appropriation. Today our budget in Georgia is approximately \$153 million. That is for the common schools and the university system. Our common-school budget is approximately \$135 million for a year, and we retire these trust indentures each year at the rate of \$14½ million. That is the first money that is budgeted for education. That comes before any other expenditure of money.

Mr. BAILEY. Now, what do you have left in the way of State funds for your foundation program to provide incentives for increase in pay for teachers, operating expenses?

Mr. WHITMAN. \$137,700,000 less a deduction of \$14½ million would be our operating expenses for the common schools. Does that answer your question, sir?

Mr. BAILEY. Not exactly. I note that your State ranks about 10th from the bottom in teachers' salaries. The United States average is \$4,025. You are paying \$3,100 as an average in the State of Georgia.

Mr. WHITMAN. That has been increased by approximately \$300 per year since this publication was issued. We plan at this time to raise our teachers another \$100 a year. We are raising our teachers' salaries as we can. We are carrying our entire load. We have our transportation program, of course, our building program, our teachers' salaries; but we are making progress.

Mr. BAILEY. I think you will agree with the Chair that a State as wealthy as Georgia, which is often referred to as the Empire State of the South ought not to rank so low in teachers' salaries, and I am wondering who is getting your best trained teachers. Are they going to some other States like Florida or North Carolina that pay more? What is the experience?

Mr. WHITMAN. We lose some teachers to those States, it is true, but we also have good teachers in Georgia. We do not pay as high a scale as we would like. There is no one in the forces of education who is satisfied today with teachers' salaries.

Mr. BAILEY. Do you train enough teachers to meet your own needs?

Mr. WHITMAN. No, sir; we do not.

Mr. BAILEY. From what sources do you get your teachers?

Mr. WHITMAN. Our assistant superintendent of schools is here, Mr. Chairman. I would like him to answer.

Mr. PURCELL. Sir, I think about 1,400 of the newly employed teachers come from colleges and about 2,000 from people who have previously taught or people who are recruited with less than 4 or 5 years of training. Many of them are people who previously taught and have been out a number of years and are brought back into the teaching profession.

Mr. BAILEY. Do you call them temporary teachers? Do they meet the standards of the State of Georgia?

Mr. PURCELL. 83 percent of the staff of the public schools have 4 or more years of college training.

Mr. BAILEY. Thank you.

Mr. WHITMAN. We spend 53 percent of every tax dollar on education in the State of Georgia.

Mr. BAILEY. My State spends \$62.

Mr. WHITMAN. 53 percent of every tax dollars goes to education in our State.

Mr. LANDRUM. Would the chairman yield there? I am afraid the record might reflect a wrong comparison with those statements. Mr. Whitman referred to the fact that we spend 53 cents every tax dollar for educational purposes. I interpreted the chairman's remark to mean that you spent \$62 per capita.

Mr. BAILEY. \$62 of our budget goes for schools.

Mr. LANDRUM. Do you mean 62 percent of your State income, not your budget; now?

Mr. BAILEY. Yes; I believe so. I will verify those figures, however, to make sure of it; but I think that is approximately correct.

A few years ago when I was State director of the budget it was at that figure, but I will check it.

Mr. WHITMAN. I think this committee would also be interested to know that in this \$200 million building program that we have underway at the present time 54 percent of all the money were spent for Negro schools, and they make up one-third of our population in the State of Georgia. In many counties of our State, many school systems, the Negro facilities are better than the white facilities because they are all new facilities that have been constructed under this program.

We have our attorney here this morning. We have our director of the authority, and we have our assistant superintendent of schools,

and if we are able we will be glad to answer any questions that you members of the committee might have.

Mr. BAILEY. I got the wrong impression, Mr. Whitman. I thought you were financing this school-construction authority by borrowing private capital. Pennsylvania is doing it that way and I got the impression that you in Georgia were doing that. Instead, you are taking care of a \$200 million bond issue which you are using for that purpose. Are you going to leave that as a revolving fund or are you going to pay it off in the hope that you will have the program completed and will not have need for continuation of it?

Mr. WHITMAN. I did not mean to create, sir, the impression that we were financing this \$200 million program without selling trust bonds. We have sold trust bonds in the amount of approximately \$157 million. That is 4 issues amounting to approximately \$157 million. The difference between the \$157 million and the \$200 million figures I used is from local bonds. Our interest rate is approximately 3 percent. It will be liquidated within a 20-year period. Our cost of construction is from \$6 to \$7.50 per square foot. We reinvest our funds when we get them and I think that our overall interest rate would amount to  $1\frac{1}{2}$  percent average.

We are self-insurers. We do not have insurance on these buildings. We carry our own insurance in a hazard reserve fund which has enabled us to save a great deal of money.

Mr. BAILEY. Do you withhold title to the new buildings for a period of years? Is it a lease-purchase proposition?

Mr. WHITMAN. That is correct, sir.

Mr. BAILEY. What is the length of your lease period to the average school board?

Mr. WHITMAN. It is 20 years, sir.

Mr. BAILEY. Now, in your indentures for the sale of these, do you pledge the \$14 $\frac{1}{2}$  million of State funds?

Mr. WHITMAN. We have our attorney handle it.

Mr. BAILEY. Is this an inducement to sell your bonds in the open market? Do you guarantee the States contribution of \$4 $\frac{1}{2}$  million?

Mr. HOWELL. There is no ability in the State of Georgia to create a State debt. We have a constitutional prohibition against State debt. Our bonds are issued and the security for the bond is the lease arrangement whereby the local unit agrees to pay out of its tax funds in the event the State itself does not pay the rental on the lease, whatever the amount of the lease for the local effort is. The result is that we have two strings to our bow. The State board of education agrees to pay the rental out of the first sums available from State appropriations. If there should be no State appropriations or if they should be insufficient, the local school board agrees to pay the rent and to tax its property within its millage to pay the rent. The result is that we have a very good bond which has received an A rating by Moody and which has been acceptable in the market.

Mr. BAILEY. What is the average interest rate?

Mr. HOWELL. The average interest rate is approximately 3 percent.

Mr. BAILEY. What is the capital investment that the board has to discharge annually?

Mr. HOWELL. Approximately \$14 $\frac{1}{2}$  million. That is the rental figure that is used to amortize the principal and interest of the bond over a period of some average 19 to 20 years. In other words, the

amount paid by the State in each year is the rental payment of the lease which is approximately \$14 million.

Mr. BAILEY. Who keeps up the maintenance on the buildings during this 20-year period in which they are acquiring title?

Mr. HOWELL. The local unit takes over the building, operates the building and under the trust indentures a reserve of the rental is sufficient to provide two basic reserves held by the trustee under the trust indenture. One reserve is the hazard reserve fund to which Mr. Whitman referred which is your self-insurance program. The other reserve is the maintenance and depreciation reserve fund, which is put aside, invested and used only if the local unit does not perform under its lease.

All of these funds to the extent they are not used become available to the local unit at the end of the lease period. He gets the property back. He gets the money back with which to renovate his buildings and whatever surplus funds are on hand go back to the local unit when the lease is paid off.

Mr. BAILEY. You mean that he gets the escrow amount for maintenance?

Mr. HOWELL. That is correct, sir.

Mr. BAILEY. That is returned to the school board.

Mr. HOWELL. That is returned to the school board together with any surplus funds in the hazard reserve fund. Actually the building authority is purely a financing and building agency. Once it is through with the program it goes back to the local unit and we hope to be able to give the local units sufficient sums where they can make a total renovation giving them a school which is really a 40-year rather than a 25-year school.

Mr. BAILEY. Again, what is the average interest rate which the board has to pay?

Mr. HOWELL. Three percent would be the average in the last four bond issues. It has ranged from approximately 2.6 percent to 3.6 percent.

Mr. BAILEY. In other words, the interest rate has gone up by approximately 1 percent.

Mr. HOWELL. It went up in 1953. The last bond issue was down a little below 3 percent or right at 3 percent. We have not issued any bonds in this current tight market.

Mr. WHITMAN. Mr. Chairman, under our minimum foundation program the State provides \$300 per year per State-paid teacher to our school units for maintenance and operation. That is in addition to the money that is held by the authority for complete renovation.

Mr. BAILEY. As chairman of the State board of education, in what situation does that put some of your poorer counties by having to meet this lease purchase agreement? In what situation does that put them on maintenance and teachers' salaries? Maybe that accounts for the fact that your rates are low on teachers' salaries. That money is required to pay this lease agreement.

Mr. WHITMAN. Mr. Chairman, we have tried to provide in Georgia a rounded program of education. It is true that if we did not feel that adequate buildings should be provided and adequate transportation should be provided in the State of Georgia and every tax dollar for education was in the teachers' salaries then we could have the highest rate of teachers' salaries in the United States and believe you

me the people in charge of education in Georgia are mindful of our low teachers' salaries. We are not at all satisfied with our average but we have tried to develop and I think we have led the way in school construction in this country.

As more industries are moving there and State income is increasing every year and we are continuing to appropriate more and more money for education in our State.

It is true that when you build these buildings you have to maintain them and if we did not have to provide this \$300 per year per State-paid teacher for maintenance and operation then we could tack that on the teachers' salaries.

Under the minimum foundation program the capital outlay provided is an additional \$200 per year per State-paid teacher for these outlay funds that we use to construct these buildings.

Mr. BAILEY. Does your State foundation program have a fixed amount to go to the districts for teachers' salaries?

Mr. WHITMAN. I will let Mr. Purcell answer that.

Mr. PURCELL. Yes, sir. We have a State fixed salary schedule which is used as a basis for disbursements.

Mr. BAILEY. I am talking about your State fund. We call it a State-aid fund. The State makes a distribution back to the counties. What is left of this \$180 million less the \$14½ million goes back to the various counties out of the State treasury. Do you have a guaranteed sum there?

Mr. PURCELL. We have a guaranteed minimum State salary for teachers.

Mr. BAILEY. I still do not think you answered my question. What assurance do the county school boards have that the State is going to maintain, we will say, the present rate of distribution? In other words, is that left to the State as to how much it is going to be?

Mr. PURCELL. Yes, sir. It is fixed annually by the State board of education.

Mr. BAILEY. But you do not freeze the share that goes for teachers' salaries as you freeze the \$14½ million for construction.

Mr. PURCELL. No, sir.

Mr. BAILEY. That is up to the will of the legislature as to how much is made available for teachers?

Mr. PURCELL. The legislature makes a lump-sum appropriation to the State board of education and the board makes its annual budget determining the amount that will go for buildings, for salaries, for maintenance, and other items in the budget.

Mr. BAILEY. That has varied over recent years.

Mr. PURCELL. It has increased in the amount of money over a period of years; yes, sir.

Mr. BAILEY. Thank you.

Go ahead, Mr. Whitman.

Mr. WHITMAN. I have nothing to add, Mr. Chairman, except that we would not want to freeze our teachers' salaries because our progress has been steadily upward in teachers' salaries.

Mr. KELLEY. Mr. Whitman, you said the State of Georgia would not take any Federal assistance that they did not need or something to that effect, did you not?

Mr. WHITMAN. I did not say that we would not take it. I said that, speaking for the position of the present administration and as chair-

man of the State board of education, we do not believe in coming to Washington and asking for Federal aid for schools. That is correct, sir.

Mr. KELLEY. The point I wanted to raise is that you would not have to come if you did not want to come. It is no mandatory that the aid goes to these States. They have to ask for it.

Mr. WHITMAN. That is correct, sir, but we believe that, if you pass a bill for Federal aid to school buildings, that we will be taxed and our money would come up here and we would certainly want to get back all that we could. We have found in regard to money that comes to Washington that we do not get back the amount that we send up here. We would prefer to take our money at home, sir.

Mr. BAILEY. Let the chairman interpose a thought at this point. The Federal Government is taking approximately 75 percent of your taxload. The present budget is one that is being questioned as being too high but there is supposed to be a \$2 billion surplus over the budget as submitted by the President. Now, the administration's bill has a provision in the present budget for this minimum program which means that, if we pass this legislation, any additional amount that the committee might recommend and the Congress approve would come out of the \$2 million surplus; therefore, that we are just trying to recover some of the money for Georgia's benefit that the Government has already taken. There are no proposed new taxes. We are just trying to recover some of that.

You did not raise the question about it when it came to the question of building your highway program. That was fine. Everybody needs roads and it means probably extra dollars in the way of properties. Everybody wanted that. We are wondering what the attitude is when it comes to taking care of the boys and girls. I believe you would take the money, would you not?

Mr. WHITMAN. We would, sir, if it did not have strings attached to it.

Mr. BAILEY. What do you mean by the "strings attached to it?" We are getting down now to some of the problems that confront this committee. I think we have enough information on both sides of this question to start writing the legislation right now, but tell us what some of the strings are to which you refer.

Mr. WHITMAN. We feel that if we take Federal money it would mean Federal control of our schools.

Mr. BAILEY. In what way?

Mr. WHITMAN. In a good many ways. You could go so far as to direct our curriculum. You could go so far as to tell us we had to integrate them.

Mr. BAILEY. Does anything in building a school building have anything to do with your curriculum? This committee does not have authority to handle that kind of legislation. We are confined to school construction. Let us write that one off. What else?

Mr. WHITMAN. I cannot write that off so easily, Mr. Chairman, because by administrative act you could say that unless that building would be integrated it could not be occupied, sir. We do not know what, by administrative act, you might do, sir, not this committee, but we are speaking of the administration.

Mr. BAILEY. Was this a round-about way of referring to the so-called Powell amendment?



Mr. WHITMAN. No, sir. We do not go around-about in Georgia. We lay it right face up on the table and we have nothing to hide and no cards up our sleeves either before this committee or any other committee of the Congress. We recall that it has not been too many years ago that our Federal highway money was cut off because you did not like a Governor we had down there and we believe that when we come up with our hands out to Washington and it has always been the history of this country that who controls the pocketbook controls the operation in the end.

We are ever mindful, believe me, sir, of our low teachers' salaries. We are ever mindful of the adequate housing required for our school-children. We are ever mindful that education is the No. 1 responsibility of this country not only as a nation but as a state and we believe our record proves, sir, that we have done something about it. We have not sat idly by and waited for somebody in Washington to send us down some money to build school buildings.

Mr. BAILEY. I do not know what the committee or the Congress will do, but assuming that we had a bill similar to the one that we had last year, the Kelley bill, we will there match you on a 50-50 basis for school aid. You bring up your State program. The Federal Government has nothing to do with it at all. Your State superintendent of schools submits your program. It is your program. We are not asking you to live up to any Federal program. It is your own program that you bring up and submit for approval. You administer that program just about as you please. If you wanted to use it in connection with your building facility I see no reason why it could not be used. It is your money and there are no controls in it.

Mr. WHITMAN. Mr. Chairman, I may be misinformed but I understood that Mr. Brownell, the Attorney General of the United States appeared before the committee last year and said certainly there would be Federal control if there was Federal money.

Mr. BAILEY. I do not believe the Attorney General, Mr. Brownell, ever testified.

Mr. LANDRUM. That was Mr. Brownell's brother who was Commissioner of Education.

Mr. BAILEY. There was a Commissioner of Education named Brownell. I am not questioning your statement. He may have testified.

Mr. WHITMAN. Certainly, sir, we would like to have all the money we can get to educate our children from any source that we can get it. When I say "educate our children," I did not mean just one part of education. I mean the whole package, teachers' salaries, transportation, maintenance and operation, textbooks, audiovisual education, and everything that goes with education; but, in my opinion, the majority of the people in Georgia are not willing to take Federal money if it means Federal control of our schools in any manner whatsoever.

Mr. BAILEY. That is the business of the committee to see to it that there are no Federal controls written into the legislation.

Mr. KELLEY. This legislation specifically points out that there should be no control in any direction.

Mr. BAILEY. I think the gentleman is familiar with the provision in the legislation.

Mr. WHITMAN. I am familiar with it; yes, sir.

Mr. LANDRUM. Mr. Chairman, will you permit me a statement?

Mr. BAILEY. Certainly. Go right ahead.

Mr. LANDRUM. It is true that the legislation before the committee carries early in its language a statement that there will be no interference with the local affairs. Yet, as you read through the bill, you get in the very beginning of construction the most contemptible of Federal controls when you put in there an instruction to require them to pay wages according to the Davis-Bacon Act fixed by the Secretary of Labor in Washington, D. C., and not fixed by any local person in Georgia. This legislation which you are considering carries those provisions so that at the very outset of legislation you commence to interpose Federal control.

Mr. BAILEY. Do you interpret that as Federal interference?

Mr. LANDRUM. I certainly do. I think it is absurd not to call it Federal interference.

Mr. BAILEY. May I advise the gentleman that the prevailing wage rate is the one used?

Mr. LANDRUM. The prevailing wage rate is the one fixed by the Secretary of Labor in Washington, D. C.

Mr. BAILEY. We might clarify more definitely what we mean by the prevailing wage and maybe designate the areas in which this wage level would be set up. What you are objecting to in the Davis-Bacon Act is that if you were building a school building in some rural area that they would insist on using a wage level that was fixed maybe 200 miles away in a larger city. Is that the objection?

Mr. LANDRUM. That is exactly the point, sir. Not only is it the point, but it has been and is being done, and the chairman well knows it.

Mr. BAILEY. Maybe we can identify that term "prevailing wage rate" a little more clearly than otherwise identified.

Mr. WHITMAN. Mr. Chairman, I think that this would be of interest to you. In this program each county school system or independent system employed its own architects. We have certain standards on the State level that must be complied with as to square footage per child in the elementary- and high-school age; also the area that an elementary school and high school must have and we let our contracts on competitive bids. I mentioned this figure previously but our construction has run from \$6 to \$7.50 per square foot. We have good serviceable buildings.

Mr. BAILEY. Do you have that figure on a classroom basis?

Mr. WHITMAN. Yes, sir.

Mr. BAILEY. What is your average classroom cost under your building program?

Mr. SIMS. Mr. Chairman, I would like to explain something in connection with the average classroom cost. It is difficult to ascribe any significance to that particular range from \$6 to \$7.50 except in relationship to the type of location of a building, whether it is an addition to an existing building, whether it involves a great amount of utilities to be extended and connected, whether you have local facilities for sewerage and so on, so that I think that figure of \$6 to \$7.50 should be used in describing our overall average of costs as applied to any type of construction that we have undertaken.

Mr. BAILEY. We generally refer to the average cost over the Nation as around \$30,000. It runs higher in certain areas and, I believe, our

good friend from Georgia advised us that you were building at per classroom costs considerably less than \$30,000.

Mr. PURCELL. Mr. Chairman, our program includes the classroom with corridors and with related facilities, lunchrooms, and sanitary facilities.

Mr. BAILEY. We are interested more in classrooms than in all of the extras that go along with it.

Mr. PURCELL. Our unit of cost per classroom has been \$13,000, including those facilities that I mentioned.

Mr. BAILEY. That is \$13,000 a classroom?

Mr. PURCELL. Yes, sir, including the facilities, lunchroom facilities, corridors, and sanitary facilities.

Mr. BAILEY. The Chair is a little surprised at that low figure. I presume your climatic conditions do not require a building such as would be required in Michigan or Minnesota.

Mr. WHITMAN. I do not know, Mr. Chairman.

Mr. KELLEY. I cannot see why that vast difference should exist, Mr. Chairman.

Mr. HOWELL. I might say, neither did the people who bought our bonds and, as a result, we had representatives from all of your fine trust houses, the United States Trust, the various banks and insurance companies come to Atlanta to inspect these schools. A number of them were on school boards. They went over these schools from top to bottom, jumped on the roofs, noticed the kitchens, and all they could say was that it was the finest construction that they had seen and they were going home and have considerable to say to their local school boards, because as far as they could see there is no excuse for the difference; in other words, that our schools were totally adequate, heated, well built school buildings, built totally fire-resistant construction. I think it would really do anyone well to come and take a look at those schools because when you hear that figure you think, "My goodness, what are they?" When you look at them you wonder why your costs are what they are, not why our costs are what they are.

Mr. BAILEY. I have one more question to the legal representative. How long has your construction program been in operation? Was it 1951?

Mr. HOWELL. It began in 1951, sir.

Mr. BAILEY. What has been the experience of these boards that have taken advantage of it and the State construction authorities turning the building over to the board? Have there been defaults? Have you had to call on your reserve for payments to any of the districts?

Mr. HOWELL. No, sir. It has been phenomenal. I think our hazard reserve fund for 1 year was something like \$26.

Mr. SIMS. To date it has been less than \$10,000.

Mr. HOWELL. That is total loss of use of any funds. That came up in connection with hazards, small fires or something like that.

Mr. SIMS. In that connection we frequently build additions to existing buildings. There was a 100-percent loss on the existing building. Our building which adjoined it, the addition that we constructed, had slight damage to the fire doors and several window panes broken. The rest of our building was perfect. It cost us about \$35 or \$40 to repaint the doors and about \$75 to put in the windows and the rest of the building was completely unharmed. You asked why

we can do this work at such a reasonable price. I think the secret may lie in strict, absolute budgetary control of the architect, because the secret of losing money in construction is the architect. The architectural profession being temperamental in nature, it likes to build itself a monument. We have established what are absolute standards. These must conform to them. Those standards give us good construction, 100 percent fire resistant throughout. They must meet the Georgia safety laws in building exits, and they must be the proper size approved by the educational experts, and we make an architect, before he puts his work on the boards, furnish us with a budget certificate which is quite detailed. He explains what he is going to use for various parts of that construction, for the utilities, or if he has to extend and connect sewer lines.

All those things indicate what his cost should be per square foot. When he has given us that we notify him, "We are going to make a contract with you on that basis. Unless there are changes in the market you are bound as shown by the reports. You are going to have to construct in accordance with that. If you give us a building that costs more than that and we take public bids, you are going to have to redesign and stay within your money." That cuts out the frivolous things that architects like to put in it. I am not criticizing the profession, but I am saying that it is natural that they should desire to put in there everything they can.

Every time he submits a bill he submits a new budget certificate. Thirty days before we take bids we get another budget certificate from him. As a result, we stay within our money. We know what our budget is on every job. I have a budget for every school we have done.

Our administrative costs for this operation have been less than one-half of 1 percent. Now, the reason we can do it is that we have strict budgetary control. Everything throughout the whole program is uniform. It does not take a lot of personnel to operate something like that.

Now, our costs for equipment, for example, are based on knowledge. We know what they pay in other States. We pay 10, 20, 20 percent less for furniture. We buy in terrific quantities. We make these deliveries of furniture to these local school systems on the same items on which they have bought equipment and they are utterly amazed to see it. We have yet to come up to the budgeted amount for equipment. We have never yet come up to the budgeted amount.

Mr. BAILEY. In other words, you are eliminating the middleman.

Mr. SIMS. When we get bids from chair manufacturers the man that manufactures the chair comes there. He is interested. It is a terrific amount of business for him. The competition goes up and down like this. It will go up a nickel or a dime. We take bids just as frequently as we can find anybody that will meet the price or go below it. Sometimes we will take bids 10 days apart on the same item.

Mr. BAILEY. We appreciate your appearance, gentlemen.

I think you have a fund of information in the record here that might be of interest to some other State which wanted to set up a construction authority. That, I am sure, would justify your appearance here, if nothing else.

Mr. WHITMAN. Thank you, Mr. Chairman.

Mr. BAILEY. Mr. Haskell has a question.

Mr. HASKELL. If there was no integration provision in the Federal aid bill and the controls were minimal and, let us say, confined to some form of definition of a classroom, I suppose like the definition of a room in the Hospital Construction Act, would you still be strongly opposed to accepting Federal money if the bill were passed?

Mr. WHITMAN. Mr. Haskell, if you are going to pass it anyway, certainly we want to get our share of our money that we send into Washington. We doubt seriously if construction on a Federal level could be done at the figure that we have quoted here this morning. All members of our authority serve without any compensation. That is the reason we have been able to operate. We do not have any high-priced people running this program except my good friend, John Sims.

Mr. BAILEY. Let the Chair make this point: That so far as the Congress is concerned, should this legislation be approved, there is no reason why the State School Authority of Georgia cannot let your building authority use the Federal funds. You would go ahead with your program just as it is set up. The only thing we want to know is that you are building school buildings.

Mr. HASKELL. Could you go on with the answer to the question?

Mr. WHITMAN. Certainly we would take Federal money without any strings attached as the chairman has indicated it would be.

Mr. HASKELL. There are bound to be some strings.

Mr. WHITMAN. It all goes back to the basic question that your chairman has raised, that we are not satisfied with our school program in Georgia. We recognize the need for more buildings, for transportation, more teachers' salaries, and so forth. In my opinion the majority of the people in Georgia would prefer to take care of their own. Your chairman has indicated a \$2 billion surplus that would be available without additional taxes. I think the majority of Georgians would like to see a tax reduction if you have the \$2 billion surplus.

Mr. HASKELL. I think those are commendable views but, I am asking, would you accept the money if the bill were passed and the integration question was out?

Mr. WHITMAN. Certainly we would, sir.

Mr. HASKELL. I would be very surprised. You say you send more money to Washington than you get back. Well, I have sort of an idea that it is a little bit the other way, that you get more back than you send to Washington. What is your per capita income in Georgia? Is it around \$1,500?

Mr. WHITMAN. \$1,300.

Mr. PURCELL. \$1,300.

Mr. HASKELL. I come from a State which has the highest per capita income and we complain because we send money to Washington and really never get any back.

Mr. WHITMAN. You should be on our side in this issue then. You know, Mr. Haskell, that if you pass this act and if Federal funds are available without the things that we people in Georgia will not take, that certainly we would expect our share of that money.

Mr. HASKELL. You would be down here to get it, in other words, along with the gentleman from Wisconsin.

Mr. WHITMAN. If I did not come we would send John to get it; yes, sir.

Mr. BAILEY. May I ask one other question? If this legislation cleared the Congress without any question of integration being included, do we have any assurance that the Georgia delegation in Congress would vote for it?

Mr. WHITMAN. I am sure that each Member of the House and Senate would speak for themselves. I have been advised and I do not think, Mr. Chairman, you can expect much support from that delegation. I am sure they will speak for themselves, however.

Mr. HASKELL. I have one other question. Do you get any money from the Hospital Construction Act?

Mr. HOWELL. The Hill-Burton Act, sir?

Mr. HASKELL. Yes.

Mr. HOWELL. Yes.

Mr. HASKELL. You do?

Mr. HOWELL. In the State of Georgia?

Mr. HASKELL. Yes.

Mr. HOWELL. Yes, on a local, individual basis.

Mr. GRIFFIN. Mr. Chairman, I have before me some figures presented to the committee the other day. Under the Kelley bill which would provide \$600 million a year according to the figures that were presented, Georgia would pay \$6 million in Federal taxes to contribute toward that \$600 million.

Mr. BAILEY. It is already paying that.

Mr. GRIFFIN. And would receive back \$15 million. In order to receive that you would have to match that \$15 million in addition to the \$6 million you pay. Under the administration bill, providing for \$325 million a year, Georgia would pay in taxes \$3 million and get back \$11 million and have to put up nearly \$6 million of matching funds. I just thought you might like to have those figures in the record.

Mr. WHITMAN. I am glad to have them, sir.

Mr. BAILEY. In other words, he is asking you whether you favor a flat grant allocation or favor one that would be on the basis of need which would benefit about 18 or 19 States. I do not know whether Georgia qualifies in that or not. It would be probably pretty close to the margin as to whether you are or are not a needy State.

Mr. GRIFFIN. Could you tell me where Georgia ranks among the States so far as per capita income is concerned?

Mr. WHITMAN. No.

Mr. HASKELL. Could I ask you how many years it would take you to make up your backlog need under what you think is going to happen, assuming no Federal aid.

Mr. WHITMAN. Mr. Haskell, our average has been an increase of 30,000 children per year which would indicate 1,000 classrooms per year. This \$200 million program is an adequate program for the average daily attendance based on 1951-52.

Mr. HASKELL. You have here estimated completing in 1956-57, 2,700 classrooms, leaving a remaining need of around 7,000 classrooms according to the collection of figures by the Department of Health, Education, and Welfare with total classrooms available around 28,000. That 7,000 is a big proportion of that 28,000 and I wondered how long you expect to take to make up the backlog. I admire what the State is doing. I just ask that.

Mr. WHITMAN. My figures indicate that at the beginning of the school year 1951-52 we had a need of 13,588 classrooms.

Mr. HASKELL. What year was that?

Mr. WHITMAN. 1951-52. Since that time, through increased average daily attendance and the classrooms that have become obsolete we have a total need of 19,801. From that figure we have under construction at this time 14,461, so that net classrooms needed as of January is 5,340.

Mr. HASKELL. I do not know what your figure is for the excess enrollment each year, the number of classrooms needed to keep up with that, but I imagine it is 1,000 anyway.

Mr. WHITMAN. That is correct, sir.

Mr. HASKELL. So that at your present rate, which was 2,700 completed last year, you cut into your backlog about 1,700 classrooms. The only question I have is, Do you have one definition for an obsolete classroom in your State or do you have a variable definition?

Mr. WHITMAN. I would prefer that Mr. Purcell answer that.

Mr. PURCELL. We use a structural engineer to help us determine whether or not it is sound and we also use some of the educators to help us determine whether it can be continued in use from the standpoint of functional purposes.

Mr. HASKELL. Do you have a variable definition of an obsolete classroom? In other words, the gentleman from Kentucky testified that he did have a variable definition. I was wondering if you had the same.

Mr. PURCELL. No, sir. I think ours would be somewhat constant because we have been forced to use a rather definite analysis in determining the local need.

Mr. HASKELL. In other words, an obsolete classroom for a Negro school would be roughly the same as that of the white?

Mr. PURCELL. Yes.

Mr. WHITMAN. Yes, sir.

Mr. SIMS. In that connection, before the State building authority authorizes construction they file with them an abstract of information. That sets forth how they arrived at the definition, what the definition was.

Mr. HASKELL. I assumed from your testimony that that was true. I wanted to be certain.

Mr. SIMS. There is no indication as to whether it is a white or black child. I will give you a copy of this abstract to show how it is done.

Mr. HASKELL. I will take your word for it.

Mr. BAILEY. Thank you, gentlemen.

Mr. WHITMAN. Thank you, Mr. Chairman.

Mr. PURCELL. If I may, I would like to file with the committee a current copy of our needs, sir.

Mr. BAILEY. Is there anything else that you would like to file with the record?

Without objection it will be accepted.

(The document referred to follows:)

#### STATEMENT OF CLAUDE PURCELL, ASSISTANT STATE SUPERINTENDENT OF SCHOOLS, GEORGIA

##### SCHOOL BUILDING NEEDS IN GEORGIA

##### Introduction

Georgia has 200 school systems, of which 150 are county units and 41 are independent city systems. Under existing laws, county systems have the authority to levy a total of 15 mills for current expenses. Total bonding ability for county

systems is limited to 7 percent of the property digest of the county. The basis for financing current expenses of the independent city school systems is specified in their respective charters. Bonding ability of cities is limited to 7 percent of the property digest, and schools have to share with other governmental agencies in the distribution of such bond funds.

#### *State aid for school construction*

Prior to the 1951-52 school year, the State of Georgia had provided no funds for school construction purposes. With the activation of the minimum foundation law, however, State aid was made available on a per teacher basis to assist the school systems of the State in building schoolhouses. The State School Building Authority Law of 1951 made it possible for school systems to capitalize their annual allotments of State capital outlay funds for a period of 20 years, and to meet critical school building needs immediately.

To house the children in average daily attendance in Georgia schools during the 1951-52 school year, Georgia needed 13,538 classrooms in excess of existing classrooms which could be continued in use. In addition to needed classrooms, the schools of the State had extensive needs for adequate lighting, heating and sanitary facilities in plants which were retained in use. In setting policies for allotment of State capital outlay funds no provision was made for physical education buildings and assembly-type facilities.

One hundred eighty-five systems capitalized their allotment of State funds through the State school building authority to construct approximately 10,650 classrooms plus auxiliary facilities. As of January 1, 1957, approximately 8,000 of these classrooms had not been completed.

As of July 1, 1956, local school systems had constructed approximately 2,700 classrooms since July 1, 1951. In addition, approximately 1,100 classrooms had been constructed from Federal funds under Public Law 815 since July 1, 1951, making a total of approximately 3,800 classrooms financed from local and Federal funds.

#### *Increase in average daily attendance since 1951-52*

From a total of 637,520 children in average daily attendance in 1951-52, the attendance in Georgia's schools increased to 747,012 for the 1955-56 school term, an increase of 109,492, of whom 63,001 were in the elementary grades and 46,492 were in high school.

#### *Classrooms needed to house increased average daily attendance (1951-52 through 1955-56)*

Allowing 1 classroom for each 30 children in average daily attendance in the elementary grades, and 1 instructional unit for each 23 children in high school average daily attendance, a total of 4,213 classrooms are needed to house the increase in average daily attendance since the base year used in the State building program, 1951-52.

#### *Additional classroom needs*

To house an estimated increase in average daily attendance for the 1956-57 school term of 21,000 elementary children and 6,000 high-school children, 1,000 additional classrooms will be needed. This estimate does not take into consideration 1,000 classrooms which are needed to replace facilities which are obsolete.

#### *Recapitulation of classroom needs*

Total classrooms needed at the end of the 1951-52 school term.....	13,538
Additional classrooms needed to house increases in average daily attendance from the end of the 1951-52 school term through the 1955-56 school term.....	4,213
Estimate of classroom needs to house increases in average daily attendance for the 1956-57 school term.....	1,000
Classrooms needed to replace obsolete facilities.....	1,000
<b>Total cumulative classroom requirements to Jan. 1, 1957.....</b>	<b>19,801</b>
Classrooms constructed, under construction, or financed since July 1, 1951.....	14,461
Net classrooms needed to January 1, 1957.....	5,340
Estimated cost of these classrooms at \$15,000 per room.....	\$88,110,000



*Other needed facilities*

The school building program in Georgia has not provided facilities for physical-education programs. It is the belief of the State department of education that such facilities are essential to a complete school program. At the end of the 1955-56 school year, 1,501 elementary schools, 15 senior high schools, and 809 combination high and elementary schools were in need of such facilities. Leaving out elementary schools the estimated cost of these facilities is approximately \$53,400,000. These totals do not include schools which have facilities which should be abandoned. If assembly rooms, other than gymnasiums or cafeteriums should be provided, the total estimated cost would be approximately \$20 million, leaving out these facilities for elementary schools.

*State and local ability to meet needs*

The State of Georgia now spends 53 percent of its total income from all sources for public education. More than 10 percent of that spent for education is allocated for capital outlay.

Studies made of local ability to finance school construction in Georgia reveal that most local school systems do not have the ability to finance their needs. When this fact is taken into consideration and in view of the efforts now being made by the State government, it is obvious that additional funds are needed from some source if total current needs are to be met.

*Summary and conclusions*

1. Georgia needed, at the end of the 1955-56 school term, 3,340 classrooms more than the number constructed or financed since July 1, 1951.

2. One thousand additional classrooms will be needed to house the increase in average daily attendance for the 1956-57 school year.

3. One thousand classrooms are needed to replace facilities which are now obsolete.

4. Estimated total classroom needs as of January 1, 1957, 5,340.

5. Physical-education facilities are now needed (as of July 1, 1956) for 1,501 elementary schools, 15 senior high schools and 809 combination elementary and high schools, not including those facilities which should be abandoned.

6. If assembly rooms should be provided, the total of needs would be substantially increased.

7. In spite of the extensive effort made to house Georgia's schoolchildren, it is evident that State and local resources are insufficient to provide the school facilities needed to adequately house Georgia's schoolchildren.

**Mr. HUSKEY.** Is Mrs. William B. Sherry in the room?

**Mr. BAILEY.** The last witness to appear today is not present. The committee will stand in recess until 10 o'clock tomorrow.

(Whereupon, at 12 noon, the subcommittee recessed to reconvene at 10 a. m., on Tuesday, February 26, 1957.)



# FEDERAL AID TO STATES FOR SCHOOL CONSTRUCTION

TUESDAY, FEBRUARY 26, 1957

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON GENERAL EDUCATION OF THE  
COMMITTEE ON EDUCATION AND LABOR,  
Washington, D. C.

The subcommittee met at 10 a. m., pursuant to recess, in room 429, Old House Office Building, Hon. Cleveland M. Bailey (chairman of the subcommittee) presiding.

Present: Representatives Bailey (presiding), Metcalf, Gwinn, Frelinghuysen, and Haskell.

Also present: Representatives Landrum and Griffin.

Staff members present: Fred G. Hussey, chief clerk; John O. Graham, minority clerk; James M. Brewbaker, general counsel; Kennedy W. Ward, assistant general counsel; and Russell O. Derrickson, chief investigator.

Mr. BAILEY. The subcommittee will be in order.

The clerk will call the roll to ascertain if a quorum is present.

Mr. HUSSEY. Mr. Bailey?

Mr. BAILEY. Here.

Mr. HUSSEY. Mr. Kelley?

(No response.)

Mr. HUSSEY. Mr. Kelley is on his way, Mr. Chairman, as I understand.

Mr. Metcalf?

(No response.)

Mr. HUSSEY. Mr. Udall?

(No response.)

Mr. HUSSEY. Mr. Gwinn?

(No response.)

Mr. HUSSEY. Mr. Frelinghuysen?

Mr. FRELINGHUYSEN. Here.

Mr. HUSSEY. Mr. Haskell?

Mr. HASKELL. Here.

Mr. BAILEY. The Chair recognizes the clerk for the privilege of offering material for insertion in the record at this point.

Mr. HUSSEY. Mr. Chairman, we have statements from the California State Chamber of Commerce, San Francisco; a statement from Congressman Charles E. Bennett of Florida, with an article from the Charlotte Observer, Charlotte, N. C.; the Texas Association for Retarded Children, Inc.; Associated Industries of Rhode Island, Inc.; Mississippi Economic Council, Jackson, Miss.; California Farm Bu-

rean Federation, Berkeley, Calif.; Lake County Federation of Teachers, Waukegan, Ill.; National Federation of Settlements and Neighborhood Centers, New York; and the National Federation of Settlements and Neighborhood Centers of San Francisco, Calif.

That concludes the insertions, Mr. Chairman.

Mr. BAILEY: If there is no objection, the material submitted by the clerk will be accepted for inclusion in the record at this point.  
(The information referred to follows:)

CALIFORNIA STATE CHAMBER OF COMMERCE,  
AGRICULTURE AND INDUSTRY,  
San Francisco, Calif., February 18, 1937.

HON. CLEVELAND M. BAILEY,  
Chairman, and Members of Education Subcommittee,  
House Committee on Education and Labor,  
House Office Building, Washington, D. C.

GENTLEMEN: The California State Chamber of Commerce is opposed to any program of Federal aid to education as a device to assist in equalizing educational opportunities among the several States. In this communication we address you specifically with respect to legislation referred to your subcommittee which would start a new program of Federal aid for school construction.

Supporters of such legislation state that elementary and secondary schools are overcrowded from the impact of the greatest enrollment increase in history. It is reported that the number of pupils, nationwide, has increased by 5,600,000 in the past 5 years. In that 13 percent of this increase has been in California, we are fully aware of the impact.

California's enrollment now exceeds that of the State of New York. Continued migration to California, together with a greatly increased birth rate, has more than doubled attendance in 12 years. We are pleased to call to your attention that California is taking care of its own school housing problem.

From the time that labor and materials became available after War II through the last fiscal year, we have built over \$2 billion of school facilities. This prodigious program has been financed by property tax levies, the sale of school district bonds, State appropriations, and by the issuance of State bonds. Please refer to pages 14-16 in the enclosed report on Public School Finance in California.

California has been able to finance its school construction program in spite of heavy Federal tax collections. In fiscal 1936, total tax collections in California were over \$9 billion and of this amount Federal taxes collected were \$6 billion (summary attached). Federal taxes should be reduced; this, of course, can only be done by reducing expenditures and not by inaugurating new programs such as proposed in the bills before your committee.

The California State Chamber believes that the State and local governments themselves have the resources to provide for legitimate education needs and that they should recognize and meet the financial responsibility inherent in their constitutional obligations to maintain and support the public school system.

Sincerely yours,

JAMES MUSSATTI, General Manager.

## Tax collections in California—Federal, State, and local

	1940-41	1946-47	1950-51	1954-55	1958-59
<b>FEDERAL TAXES IN CALIFORNIA</b>					
Individual income tax and social security taxes.....	\$151,029,877	\$2,237,000,743	\$2,292,653,297	\$3,450,778,000	\$4,042,670,000
Corporation income tax.....	83,290,160	117,153,978	727,717,445	1,101,537,000	1,267,911,000
Estate and other taxes.....	171,858,240	750,504,918	537,830,077	625,816,000	687,734,000
<b>Total Federal taxes.....</b>	<b>405,877,402</b>	<b>3,144,558,639</b>	<b>3,558,227,840</b>	<b>5,184,127,000</b>	<b>6,008,419,000</b>
<b>STATE TAXES AND LICENSES</b>					
<b>General fund:</b>					
Sales and use.....	109,233,912	241,806,070	401,215,929	492,917,379	554,847,822
Bank and corporation.....	22,984,409	50,180,960	94,427,994	123,051,470	187,088,832
Personal income.....	20,292,748	41,218,818	75,493,977	100,738,235	127,818,955
Insurance.....	8,068,173	14,701,297	22,464,623	38,600,922	39,104,201
Inheritance.....	11,419,476	14,872,358	20,371,020	28,420,071	34,100,798
Gift.....	195,293	1,200,533	1,007,220	1,820,901	3,240,188
Liquor—beverage.....	11,248,657	19,802,081	18,994,892	20,279,090	28,351,792
Private car.....	420,665	680,142	890,800	1,800,961	1,380,427
<b>General and other funds:</b>					
Horse racing.....	3,808,000	19,051,809	18,858,044	22,839,129	23,008,653
Auto in lieu.....	18,897,883	28,682,275	55,395,090	83,702,055	100,287,213
Liquor licenses.....	8,068,678	8,901,959	8,106,153	9,213,360	9,321,972
<b>Highway use funds:</b>					
Motor vehicle fuel.....	44,355,466	75,827,779	149,728,111	244,587,801	374,106,657
Motor vehicle fees.....	13,894,041	23,221,241	48,789,177	82,902,192	106,992,894
Tax, for-hire carriers <sup>1</sup> .....	2,812,968	8,070,918	10,658,058	12,920,467	15,712,991
<b>Social taxes:</b>					
Unemployment insurance.....	80,100,120	116,685,310	172,498,023	131,007,720	153,896,711
Unemployment compensation disability.....		55,478,362	24,722,940	47,906,099	53,367,263
<b>Total general fund.....</b>	<b>195,795,188</b>	<b>432,854,601</b>	<b>647,991,744</b>	<b>831,899,303</b>	<b>972,923,545</b>
<b>Total all other funds.....</b>	<b>164,722,627</b>	<b>300,811,826</b>	<b>502,773,815</b>	<b>646,728,055</b>	<b>720,169,780</b>
<b>Total State taxes.....</b>	<b>360,517,765</b>	<b>732,670,427</b>	<b>1,150,765,559</b>	<b>1,478,627,358</b>	<b>1,703,143,345</b>
<b>LOCAL PROPERTY TAXES</b>					
County taxes.....	96,052,253	182,031,624	287,779,801	337,741,507	344,000,000
City taxes.....	90,679,803	128,000,437	178,890,433	241,157,829	253,000,000
School district taxes <sup>2</sup> .....	104,237,631	178,828,676	223,344,821	494,728,076	541,000,000
Special district taxes <sup>3</sup> .....	17,822,168	27,012,369	51,516,874	98,724,102	100,000,000
<b>Total property taxes.....</b>	<b>308,691,855</b>	<b>484,882,106</b>	<b>611,010,929</b>	<b>1,172,351,507</b>	<b>1,287,000,000</b>
City sales taxes, etc. <sup>4</sup> .....	5,112,737	12,285,761	60,221,516	93,872,972	115,000,000
<b>Total, local.....</b>	<b>313,804,592</b>	<b>496,667,867</b>	<b>671,232,445</b>	<b>1,266,224,479</b>	<b>1,402,000,000</b>
<b>Grand total.....</b>	<b>1,079,999,259</b>	<b>4,383,723,933</b>	<b>5,380,244,844</b>	<b>7,913,978,817</b>	<b>9,113,562,345</b>

<sup>1</sup> Auto in lieu taxes: Through 1946-47 the general fund received 20 percent of collections after deduction for administrative expenses and State highway bond charges. After that year local government received all after deduction for highway bonds.

<sup>2</sup> Tax, for-hire carriers: Allocated to general fund until 1948-49.

<sup>3</sup> School district taxes: San Francisco unified district is included.

<sup>4</sup> City sales and use tax: Business licenses and parking meter revenues.

<sup>5</sup> Estimate.

# PUBLIC SCHOOL FINANCE IN CALIFORNIA AND COMPARISON WITH OTHER SELECTED STATES—SUMMARY ANALYSIS OF EXPENDITURES, TAXES, SUBVENTIONS<sup>1</sup>

## FOREWORD

Our public schools are of the utmost importance to every Californian. During the past decade and for the "foreseeable" future, California has faced and is facing a tremendous problem of providing adequate school facilities and adequate financing of the system. In the last 10 years, school attendance has just about doubled and will in accordance with present trends again double in the next 15 years.

<sup>1</sup> Compiled by tax department, California State Chamber of Commerce, Agriculture, and Industry, San Francisco, Calif., August 1955.

Believing that the greatest guaranty that this country will continue as a free nation depends on a continuous improvement, broadening, and strengthening of our public and private system of education, the State chamber of commerce undertook this study of the public-school system of California. This study made by our tax department contains both trend and recent data which are intended to be sufficiently broad in scope so as to aid in the understanding of what has been done in school finance and what the problems are which lie ahead.

#### PUBLIC SCHOOL FINANCE IN CALIFORNIA

An understanding of the financing of the public schools in California involves a wide variety of factors. These, in broad classification, include attendance, revenue sources, building needs, and operating expenditure patterns. The following sections show past trends and present situations in areas which are discussed in connection with the finance of our public-school system. The most recent data are used to make the study as current as is possible.

#### Total cost of public education, 1933-34

The cost of public education in California closely approached a billion dollars in 1933-34. The \$877 million cost of the public-school system, including the junior colleges, was the greatest part of the total. Other expenses of public education include institutions of higher learning, special schools for the handicapped, and the State department of education. Expenditures for construction from district- or State-issued bonds are not included in this total; these are described in a later section. Child-care centers are excluded. This study is limited to the public-school system.

#### 1933-34 Expenditures, public school system

District, directly.....	\$767,802,000
District debt charges.....	61,634,000
County, superintendent and boards.....	2,342,000
County, State service fund.....	10,005,000
State direct.....	34,374,000
<b>Total, public school system.....</b>	<b>870,007,000</b>
State department of education.....	2,866,000
Higher education.....	64,862,000
Special schools for handicapped.....	3,759,000
<b>Total, public education.....</b>	<b>978,394,000</b>

#### School districts

The public school system is operated by local districts; there were 1,034 of these in 1934-35. Each had authority to raise and spend tax money. These districts were divided as follows: Elementary, 1,590; high school, 286; junior college, 20; and unified, 88. While this is obviously a large number, districts were reduced by more than a third, from 3,047 in 1933-34. The decrease resulted from unification, unionization, or annexation. Unified districts contain both elementary and high school children and in some instances junior college students. In 1933-34, 23 percent of the total attendance was in unified districts.

Of 1,681 elementary school districts in 1933-34, 333 were 1-teacher school districts and 221 were 2-teacher school districts. Districts with less than 10 teachers numbered 1,077. To achieve further reorganization of school districts, a structure of county study committees has been established. Committee recommendations are subject to State board of education approval. The authority for reorganization is vested in the district electorate.

#### School districts

	1933-34	1934-35	Change
Elementary.....	2,735	1,590	-1,145
High school.....	286	286	-50
Junior college.....	17	20	3
Unified.....	0	88	88
<b>Total.....</b>	<b>3,047</b>	<b>1,934</b>	<b>-1,113</b>

*School attendance—its growth*

In the growth of school attendance in California, a marked increase occurred when the 752,386 in 1924-25 jumped to nearly a million in 5 years. Then for 15 years attendance first remained almost constant, and in the end gained only slightly over 150,000. Elementary attendance declined through the years up to 1942 whereas high school and junior college attendance rose.

*Average daily attendance*

1924-25	752,386
1929-30	941,741
1934-35	1,012,200
1939-40	1,108,884
1944-45	1,166,108

War industry and continued migration to California, together with a greatly increased birthrate, had the effects of nearly doubling average daily attendance in the 9 years to 1933-34 when it reached 2,208,396. The 1,042,288 increase had a serious impact on both school finance and school classroom requirements.

The first large wave of increased enrollment had reached the seventh grade in the 1934-35 school year. However, its 175,620 enrollment was greatly exceeded by the 210,300 then in the third grade. These two waves will successively swell all grades, including high school and junior college levels. This enrollment, together with a continued high birthrate, insures a high level of school enrollment for a decade or more.

*Average daily attendance*

Year	Number	Increase over preceding year	Year	Number	Increase over preceding year
1945-46	1,244,536	73,427	1931-32	1,604,926	121,280
1944-45	1,453,666	189,130	1932-33	2,037,199	122,243
1943-44	1,621,041	87,376	1933-34	2,208,396	171,277
1942-43	1,613,847	96,816			
1941-42	1,713,297	101,420	Total 9-year increase		1,042,288
1939-40	1,753,637	63,370			

*Public-school enrollment, other States*

In the fall of 1954, California with 2,282,706 had the largest public-school enrollment in the Nation. Its lead over New York's 2,261,161 was scant, but New York's population was almost a third greater than that of California. New York's secondary enrollment was 859,241; California's was 494,910; California's elementary enrollment was 1,787,796; New York's was 1,401,920. In the dozen largest States, enrollment ranged down to 669,617 in Massachusetts. Junior colleges and adult education are not included.

	Enrollment		Enrollment
California	2,282,706	Michigan	1,314,661
New York	2,261,161	North Carolina	1,018,067
Pennsylvania	1,808,868	New Jersey	830,000
Texas	1,688,374	Indiana	800,000
Ohio	1,605,441	Missouri	732,566
Illinois	1,490,000	Massachusetts	669,617

*The purchasing power of the dollar decreases*

During the period of rapid growth in school attendance, the purchasing power of the dollar was reduced almost to half. An index of California shows a decrease from 100 in 1939 to a low of 51.8 in 1952. It has not changed materially since that year. This decline had marked effect on school costs; a significant effect is shown in a later section on assessed valuations per unit of attendance. Its impact on salaries is also indicated.

The California index differs somewhat from the national. Both are derived from the Consumer Price Index (Bureau of Labor Statistics).

### Purchasing power of the dollar in California

	Index		Index
1940.....	100.0	1951.....	83.6
1942.....	80.0	1952.....	81.4
1948.....	78.1	1953.....	82.1
1949.....	80.2	1954.....	82.1
1950.....	87.8		

### Commodity prices (Index 1947-48=100)

The national commodity index increased from 90.4 in 1917 to a peak of 114.8 in 1931 and then dropped to 110.1 in 1933. It is currently stabilized at about that level and is thus about 10 points higher than the average for the 2 years 1947 and 1948. This index is useful in the interpretation of expenditures for commodities.

### Wholesale prices

(Index 1947-48=100)

1947.....	90.4	1951.....	114.8
1948.....	101.4	1952.....	111.0
1949.....	90.2	1953.....	110.1
1950.....	103.1		

### Income of individuals, California

In the period 1940 through 1953 income payments to individuals in California increased from \$3.0 billion to \$21.8 billion. The average per capita more than doubled income from \$807 to \$2,039.

### California income per capita

1940.....	807	1949.....	1,028
1942.....	1,200	1950.....	1,755
1944.....	1,630	1951.....	1,922
1946.....	1,600	1952.....	1,978
1948.....	1,683	1953.....	2,039

### California population and income compared with other States

In order to permit comparison of California's public expenditure problem with those of other States, 11 States, each with a population in excess of 4 million have been selected. Several of the States included have populations less than that of California's Los Angeles County, which was estimated to have been 4,482,000 in July 1952. These 11 States, with California, had a total population in 1952 of 91,463,000 persons, or 80 percent of the Nation's total.

### Income per capita, 1953

New York.....	\$2,153	Indiana.....	\$1,834
New Jersey.....	2,003	Pennsylvania.....	1,822
Illinois.....	2,083	Massachusetts.....	1,812
California.....	2,039	Missouri.....	1,662
Ohio.....	2,012	Texas.....	1,480
Michigan.....	2,008	North Carolina.....	1,097

The selected States vary in their economies, but all are like California in that they are both industrial and agricultural in substantial degree. With respect to per capita income payments to individuals, they varied in 1953 from a low of \$1,097 in North Carolina to almost double that amount in New York. New York exceeded California in per capita income by \$119. These population and income figures are basic to any study of governmental finance, since the number of people determines in large part the quantity of governmental service needed and individual income is a basic factor in determining tax yields.



## Population, July 1, 1958

New York.....	15,179,000	Massachusetts.....	4,794,000
California.....	11,890,000	North Carolina.....	4,180,000
Pennsylvania.....	10,067,000	Indiana.....	4,104,000
Illinois.....	8,018,000	Missouri.....	4,000,000
Texas.....	8,180,000		
Ohio.....	8,174,000	Subtotal.....	91,468,000
Michigan.....	6,708,000	All other.....	68,468,000
New Jersey.....	6,103,000	Total.....	154,931,000

## PUBLIC SCHOOL REVENUES

## Sources of district revenues

In school-district finance both income and outgo are equally important. However, the income side comes up most frequently in discussions and in this study is analyzed first.

## 1953-54, revenue, all districts' funds by fund

General.....	\$760,603,000
Bond interest and redemption.....	70,468,000
Building <sup>1</sup> .....	23,128,000
Accumulative building.....	2,007,000
Total.....	\$851,201,000

<sup>1</sup> Exclusive of district bond proceeds and State grants and loans.

Revenue for all district purposes aggregated \$851 million in 1953-54. Included are all funds. The districts' general funds handle most of the financial transactions. Several building funds are used for capital outlay, but the general funds are also used for this purpose. Bond interest and redemption payments are paid by the county auditors.

Property taxes contributed 51.8 percent of the \$851 million total revenue in 1953-54; State aid was 42.8 percent; Federal aid was 3.7 percent; and all other 2.2 percent.

## By source

	Amount	Percent
Property taxes.....	\$440,744,000	51.8
State aid.....	360,048,000	42.3
Federal.....	31,512,000	3.7
Other.....	18,468,000	2.2
Total.....	\$851,201,000	100.0

<sup>1</sup> Districts reported receipts.

In that general fund income is most frequently referred to, a trend for these funds is shown. Total general-fund revenues of school districts grew from one-sixth to three-quarters of a billion dollars in the period starting with the forties through 1953-54.

The revenues per unit of attendance increased from \$151 to \$343—an average of elementary and high schools and junior colleges. Adjusted for the change in dollar value, the \$343 becomes \$179, which is \$28 greater than the actual \$151 per average daily attendance in 1930-40.

The amounts tabulated show only that State aid which flows through the accounts of the districts. Additional aid to public schools is for textbooks and other items shown in the next section for which payment is made directly by the State. These totaled \$35 million in 1953-54.

## District general fund revenues

Year	Amount	Per average daily attendance		Year	Amount	Per average daily attendance	
		Actual	Adjusted			Actual	Adjusted
1930-40.....	\$167,696,000	\$151	\$151	1949-50.....	473,120,000	273	163
1941-42.....	183,234,000	161	144	1950-51.....	508,013,000	285	165
1943-44.....	217,174,000	174	136	1951-52.....	568,616,000	298	159
1946-47.....	260,664,000	182	133	1952-53.....	654,819,000	321	166
1947-48.....	262,331,000	238	165	1953-54.....	756,663,000	343	179
1948-49.....	422,742,000	251	142				

## Property taxes versus State support

In the growth of public-school revenues both property taxes and State support played important roles—each more than quadrupled since 1940-41. In 1953-54 they collectively provided \$842 million of support. The relation between the two is a matter of keen interest. This section is limited to property taxes and State support and excludes Federal aid and miscellaneous income which totaled \$53 million in 1953-54.

## Sharing of cost, 1953-54

## Property taxes (district records):

District general funds.....	\$302,100,000
Counties levies.....	8,100,000
High-school tuition.....	537,000
Building funds.....	1,030,000
Bond interest and redemption.....	67,690,000

Property-tax total..... 440,744,000

## State support (State records):

Apportionment.....	367,050,000
Teachers retirement.....	23,450,000
Debt on school bonds.....	7,015,000
Textbooks.....	3,303,000
Vocational education.....	355,000

401,785,000

Total property and State..... 842,529,000

In 1953-54, \$441 million of property taxes were collected for the payment of public-school costs. All district levies are tallied, including \$67 million for bond interest and redemption charges.

The \$401 million of State support includes the apportionment to districts, teachers retirement, debt on school bonds, textbooks, and vocational-education aid.

Property taxes have always been greater than State support. With the exception of 4 years, property taxes have been more than a third greater since 1940-41—in 1953-54 they were a tenth more. The drops in ratio in 1947-48, 1952-53, and 1953-54 were due to an increase in the State's apportionment per average daily attendance.

The State support which is tabulated includes all appropriations for public schools, including \$55 million of grants for construction.

	State support	Property taxes	Ratio		State support	Property taxes	Ratio
1940-41.....	\$78,300,000	\$104,238,000	1.33	1949-50.....	\$216,283,000	\$297,769,000	1.39
1943-44.....	79,403,000	109,331,000	1.38	1950-51.....	237,855,000	324,750,000	1.37
1945-46.....	96,563,000	138,737,000	1.44	1951-52.....	261,678,000	360,194,000	1.38
1947-48.....	186,611,000	212,467,000	1.14	1952-53.....	328,396,000	407,334,000	1.24
1948-49.....	222,688,000	263,745,000	1.18	1953-54.....	401,785,000	440,947,000	1.10

*History of State school apportionments*

Since statehood, it has been the constitutional responsibility of the California State Legislature to provide for a system of common schools in which a free school shall be kept up and supported in each district. By constitutional authorization the State has always paid a portion of the cost of the public schools.

From 1840 to 1870 elementary schools were partly supported by the State with both specific and permissible revenues; in 1870 the permissible revenues were supplanted with a State school tax which existed through 1920. In 1921, a flat \$30 per average daily attendance was provided by the State and an equal amount from a countywide property tax. The State assumed the county part in 1933. The State average daily attendance apportionment was increased by the legislature to \$60 in 1943 and the constitutional minimum was increased by the electorate to \$80 in 1945. Elementary apportionments were increased together with secondary as noted later.

State support of the secondary system started with a permissive tax which was first levied in 1903-04. In 1921 the State apportioned \$30 per average daily attendance and a countywide property tax of \$60 was levied. The latter was assumed by the State in 1933—making a total of \$90 payable from statewide taxes.

In early history, both State and local governments were financed in most part by property tax levies. The year 1911 ended the State's reliance on the property tax for revenue. The year 1933, with the adoption of the Riley-Stewart amendment, marked the first concerted movement to shift more of local costs away from property to a broader base of statewide taxpayers—without distinction of district or county lines. The effect was directed at public school costs.

The State's minimum contribution was raised to \$120 for both levels of education in 1947 and was supplemented in increments by the legislature to \$147 in fiscal 1952-53. The electorate voted \$180 as a minimum in 1952, effective in the fiscal year 1953-54.

*Past growth in State apportionments*

State aid to the school districts—termed apportionments—just topped the \$100 million mark in 1946-47. The increase in State funds per average daily attendance voted in 1947 increased the 1947-48 apportionment to \$173,522,000. Increases in attendance together with the legislative increase from \$120 to \$147 per average daily attendance brought the State support to \$280,944,000 in 1952-53. With the increase to \$180 (voted in 1952), and sizable increase in attendance, State aid totaled \$367,066,000 in 1953-54. The State's apportionment was increased \$205 million in 7 years. Teachers retirement and other direct State cost payments are not included.

	State apportionment	Increase
1946-47.....	\$101,437,000	.....
1947-48.....	173,522,000	\$72,085,000
1948-49.....	185,787,000	12,265,000
1949-50.....	199,415,000	13,628,000
1950-51.....	215,256,000	15,841,000
1951-52.....	239,950,000	24,713,000
1952-53.....	280,944,000	40,975,000
1953-54.....	367,066,000	86,112,000
Total 7-year increase.....		265,619,000

*Method of apportioning State funds*

The constitution requires the annual allocation of \$180 per unit of average daily attendance—based on the average daily attendance of previous fiscal year. The minimum apportionment in any district is \$120 per average daily attendance. The \$60 difference is used for equalization and for other purposes specified by the legislature.

Equalization is based on the relationship between assessed valuation and average daily attendance. Under the current formula an elementary district with less than \$15,333 of assessed valuation per average daily attendance gets equalization money—for high schools the amount is \$35,556. The amount of

equalization increases as the assessed valuation gets smaller. For small average daily attendance districts, a special formula is used.

Apportionments are made for transportation, instruction to handicapped children, excess growth in enrollment, and for county service funds.

#### *Estimated increase in State apportionments*

The State apportionment for public schools for the current fiscal year, 1955-56, is estimated at \$428 million—based on 2,375,000 average daily attendance at \$180. The State department of finance estimates a growth in enrollment to some 3 million in 1959-60. Estimated average daily attendance of 2,991,000 at \$180 would require \$538 million—an increase of \$111 million over 1955-56.

#### *State's future apportionments*

	Estimated average daily attendance	Cost at \$180
1954-55.....	2,208,000	\$398,194,000
1955-56.....	2,375,000	428,000,000
1956-57.....	2,522,000	454,000,000
1957-58.....	2,678,000	481,680,000
1958-59.....	2,840,000	511,200,000
1959-60.....	2,991,000	538,380,000

#### *State's general fund, expenditures and revenues*

School apportionments are made from the State's general fund. The growth of all expenditures, and the revenue needs of this fund, are thus of direct concern in school finance. Total expenditures (including transfers expended in other funds) increased from \$412 million in 1947-48 to an estimated \$879 million in 1954-55. Revenues in the same period increased from \$471 million to \$859 million. In the first part of this period revenues exceeded expenditures, but revenues in recent years have been insufficient. Surplus and reserves have been used to meet revenue deficiencies.

#### *State's general fund*

	State's general fund	
	Expenditures	Revenues
1947-48.....	\$144,864,000	\$471,697,000
1950-51.....	553,609,000	709,355,000
1951-52.....	684,298,000	784,163,000
1952-53.....	846,818,000	774,028,000
1953-54.....	843,855,000	798,084,000
1954-55.....	879,310,000	859,094,000

1 Estimate

#### *Past trend, general fund taxes*

General fund revenues have climbed each year since 1938-39. The fund's tax structure has been basically the same since 1935. However, during the period 1943-44 through 1948-49 rates of the 3 large revenue yielding taxes were reduced by some 15 percent.

Revenue increased by 82 percent from \$471 million in 1947-48 to \$859 million in 1954-55. Taxes, which totaled \$772 million in 1953-54 brought in 97 percent of all revenue.

Per capita collections also increased each year; they doubled from \$24 in 1936-37 to \$50 in 1949-50, rose to \$59 in the next year, and gradually increased to \$63 in 1953-54. In the same year, special fund per capita tax collections were \$36, a total of \$99.

Related to \$100 of individual income payments, taxes have been generally over or only slightly under \$3. The high in this relationship was \$3.48 in 1950-51. In 1953-54 general and special fund tax collections were \$4.89 per \$100 of individual income.

## General fund, tax collections

	Amount	Per capita	Per \$100 individual income payments
1936-37.....	\$155,047,000	\$24.10	\$3.28
1941-42.....	236,440,000	33.94	3.41
1949-50.....	334,428,000	50.00	3.15
1950-51.....	647,092,000	59.58	3.46
1951-52.....	705,245,000	62.41	3.24
1952-53.....	754,048,000	63.67	3.34
1953-54.....	772,280,000	62.98	3.11

## Sources of State general fund revenue

The State of California collected \$1.271 billion in taxes and other revenues in 1953-54 (exclusive of the two unemployment taxes). Of this amount, \$708 million was directed into the general fund, from which almost all of the State's apportionments to public schools are made. Three taxes brought in 86 percent of the general fund receipts: Sales tax, 53 percent; bank and corporation, 16; and personal income, 12.

## State revenue, 1953-54

	Amount	Percent
Sales tax.....	\$465,051,000	58
Bank and corporation.....	126,028,000	16
Personal income.....	95,168,000	12
All other.....	111,888,000	14
Total.....	798,084,000	100

## State expenditures, schools in relation to total

In recent years, State support of the public schools either has been close to or exceeded 40 percent of the general fund total. In 1953-54, however, it was 47.6 of the total, closely approaching half.

## State expenditures

	General fund total	Public schools	
		Amount	Percent
1947-48.....	\$441,864,000	\$186,611,000	42.2
1949-51.....	587,051,000	237,355,000	40.4
1951-52.....	685,238,000	261,973,000	38.4
1953-53.....	648,316,000	228,295,000	35.2
1953-54.....	642,246,000	307,755,000	47.9

## State aid to schools, interstate comparison

California, by a wide margin, exceeded any other State in the amount of State support of public schools in 1953-54. A study released by the United States Office of Education shows that California exceeded New York by \$108 million. The dozen largest populated States had a range from \$415 million in California down to \$43 million in New Jersey.

Ten States, however, which were smaller in population than New Jersey gave more State support. Eight of these were Southern States which ranged from \$47 million in Virginia to \$102 million in Georgia.

*State funds, 1953-54*

California.....	\$415,273,000	New Jersey.....	\$42,740,000
New York.....	311,820,000	Georgia.....	102,401,000
Pennsylvania.....	218,538,000	Louisiana.....	80,018,000
Texas.....	218,615,000	Florida.....	81,228,000
Michigan.....	160,789,000	Alabama.....	72,180,000
North Carolina.....	181,961,000	South Carolina.....	70,000,000
Ohio.....	121,102,000	Tennessee.....	69,205,000
Illinois.....	87,484,000	West Virginia.....	55,240,000
Indiana.....	71,001,000	Virginia.....	47,417,000
Missouri.....	61,161,000	Washington.....	103,845,000
Massachusetts.....	47,142,000	Minnesota.....	73,097,000

## PROPERTY TAXES

*Growth of property taxes collection*

In the period 1940-41 through 1953-54 total property-tax collections increased 8.4 times from \$308 million to \$1.043 billion—school district taxes went up 4.2 times from \$104 million to \$440 million.

In 1940-41 school taxes were 34 percent of the total collected; in 1950-51 they increased to 40 percent, and in the last 2 years they were 42 percent of the total.

*Property-tax collections*

	Total	School districts
1940-41.....	\$308,691,000	\$104,238,000
1945-46.....	394,030,000	138,787,000
1950-51.....	811,011,000	328,345,000
1952-53.....	959,325,000	407,970,000
1953-54.....	1,043,517,000	440,947,000

*Interstate comparison, property taxes*

Of the dozen largest populated States, California was eighth from the highest in 1953-54, with respect to the percent of revenue for public schools which was secured from property taxes—45.8 property and 54.2 all other. New Jersey used property taxes to the extent of 82.4 percent and North Carolina had the least with 15.2 percent.

*1953-54 revenue in percent*

	Property taxes	All other		Property taxes	All other
New Jersey.....	82.4	17.6	Indiana.....	30.2	49.8
Illinois.....	79.5	20.5	California.....	45.8	54.2
Massachusetts.....	78.3	21.6	Texas.....	45.1	54.9
Ohio.....	68.5	31.5	Pennsylvania.....	43.6	56.4
New York.....	55.1	44.9	Michigan.....	41.4	58.6
Missouri.....	55.0	45.0	North Carolina.....	15.2	84.8

*District property taxes, by level*

Elementary district property taxes amounted to \$156 million or 35 percent of the total in 1953-54. High school districts were second with \$137 million or 31 percent. Unified schools ran \$126 million or 29 percent and junior colleges \$21 million or 5 percent.

*1953-54 property taxes*

District	Amount	Percent
Elementary.....	\$156,313,000	35
High.....	137,065,000	31
Junior college.....	20,835,000	5
Unified.....	126,531,000	29
Total.....	440,744,000	100

*Statutory maximum tax rates*

Maximum school district tax rates have been in effect for a long period and have been generally accepted as a public policy in the limitation of property taxes. The rates are as follows: Elementary (with kindergarten), \$0.00 per \$100 of assessed valuation, and high school, \$0.75. Some expenses, such as contributions to the teachers retirement system are outside of the limitation.

*Statutory maximum tax rates*

Elementary.....	\$0.80
With kindergarten.....	.00
High school.....	.75
With junior college.....	1.10
Junior college.....	.85
Unified: The sum of the respective levels	

The statutory maximum rate can be exceeded—either for a specified or unlimited time—with a majority vote of the electors. The election is called either by the governing board or by a petition signed by 10 percent of the voters.

In 1953-54, 620 districts or one-third of the districts had authorized tax rates which exceeded the statutory maximum. These districts had 57 percent of the attendance.

1953-54

	Number of districts	Average daily attendance
Under maximum.....	453	465,969
At maximum.....	534	474,150
Over maximum.....	620	1,261,079
Total.....	1,607	2,201,188

*Assessed valuations per average daily attendance*

The amount of assessed valuations in relation to each child in attendance is important in the yield of a tax rate in a district. Also, in the apportionment of State equalization funds, assessed valuation is used as a factor. In another section it is pointed out that elementary districts under \$15,333 of value per average daily attendance receive equalization funds. Sixty percent—a substantial majority—of the districts had valuations under \$16,000 in 1952-53.

*Elementary schools, 1952-53*

Per average daily attendance assessed valuation	Districts	
	Number	Percent
Under \$6,000.....	291	16.6
Over \$6,000, under \$11,000.....	470	26.9
Over \$11,000, under \$16,000.....	301	17.2
Subtotal.....	1,062	60.7
Over \$16,000.....	667	39.3
Total.....	1,740	100.0

*Assessed valuation, relation to attendance*

The assessed valuation of property in California rose from \$7.095 billion in 1939-40 to \$9.541 billion in 1945-46, and after the end of World War II went up sharply to \$17,170 billion in 1953-54. However, the number of children was increasing also. With respect to elementary attendance the average assessed valuation per average daily attendance went from \$8,000 in 1945-46 to \$10,400 in the following year and then to \$10,992 in 1949-50. In 1953-54, it had decreased to \$10,066.

When the value of the dollar is considered, the benefit of the increased valuation per average daily attendance was more than offset. The \$8,570 valuation per average daily attendance in 1939-40 shrunk to \$5,525 in 1953-54, in relation

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to the purchasing power of taxes. The effect was to increase tax rates to and in excess of the legal maximum. Similarly, bonding capacity in relation to increased costs had less value.

### *Statewide valuation per elementary average daily attendance*

(Billions)

	Amount	Actual	Adjusted		Amount	Actual	Adjusted
1939-40.....	\$7,086	\$3,570	\$3,570	1949-50.....	\$12,227	\$10,092	\$4,507
1940-41.....	7,899	3,200	3,433	1950-51.....	13,013	10,712	3,192
1941-42.....	8,541	3,000	3,248	1951-52.....	14,736	10,656	3,701
1942-43.....	10,994	10,400	3,791	1952-53.....	16,107	10,797	3,663
1943-44.....	12,193	10,749	3,167	1953-54.....	17,170	10,606	3,833

### FEDERAL AID

It was noted in a preceding section that \$31,918,000 or 3.7 percent of the revenue of all district funds was from the Federal Government. This was for both school construction and maintenance purposes. The Federal Government owns large areas of land and numerous structures in California which are not subject to local property taxation. The aid shown is in most part payments for educational purposes which were made in accordance with the Federal statutory formula which recognizes, in part, the property tax burden resulting from this Federal property ownership.

#### *Federal expenditures*

Federal spending, which amounted to one-half billion dollars at the turn of the century, reached a peak of \$18.5 billion in 1919, and fell to a low of \$3 billion in 1927. Year by year increases brought the total of \$9.2 billion in 1940. Two-thirds of the \$6.2 billion increase between 1927 and 1940 was for "recovery" expenditures and for the public assistance phases of the social security program. In the year 1939 these programs accounted for half of the total Federal spending.

#### *Federal expenditures*

(In billions)

1900.....	\$0.5	1940.....	\$9.2
1910.....	0.7	1942.....	34.8
1919.....	18.5	1945.....	98.7
1920.....	6.4	1948.....	83.8
1927.....	3.0	1950.....	40.2
1935.....	6.6	1953.....	78.4

Public assistance expenditures still loom large in Federal grants to States and local governmental units, but are dwarfed today by the expenditures for national security, which amounted to two-thirds of the \$78.4 billion total Federal expenditures in 1953.

#### *Sources of Federal revenue*

One-half of the \$64.6 billion receipts of the Federal Government in the fiscal year 1953-54 for general purposes was realized from individual income taxes. One-third of the receipts came from corporation income taxes, and 15 percent from excise taxes. Income taxes are also substantial sources of revenue for California, and it also levies excise taxes on some commodities which are taxed by the Federal Government.

#### *1953-54 Federal receipts after transfer*

	Amount (in billions)	Percent of total
Individual income.....	\$32.283	50.1
Corporation income.....	21.523	33.3
Excise taxes.....	10.014	15.5
All other and refunds.....	.783	1.1
Total.....	64.603	100.0



**Federal deficit**

The shortage of Federal revenues in meeting expenditures increased from \$4.0 billion in 1951-52 to \$9.4 billion in 1952-53. It ran \$4.2 billion at the close of 1954-55. The debt on June 30, 1955, was \$274.4 billion.

**Federal deficit**

(In billions)

1951-52.....	\$4.0
1952-53.....	9.4
1953-54.....	8.1
1954-55.....	4.2

**General revenue of all levels of government**

During the 12-year period between 1941-42 and 1952-53, general revenue of Federal, State, and local governments rose from \$28.8 billion to \$92.9 billion. Revenue of the Federal Government multiplied five times in this period, while that of State and local governments doubled. In terms of proportionate shares of the total, Federal receipts increased from 51.1 percent of the total in 1942 to 73.9 percent in 1953, while the shares of State and local governments fell from 22.8 and 26.1 percent, respectively, in 1942 to 12.6 and 13.5 percent in 1953.

**General revenue**

(In billions)

	1942	1953
Federal.....	\$12.7	\$62.7
States.....	6.1	11.7
Local.....	7.0	12.5
Total.....	25.8	86.9

**PUBLIC SCHOOL EXPENDITURES**

Expenditures for the public schools in 1953-54 totaled \$878 million. The districts' expenditures were \$844 million and those made directly by the State aggregated \$34 million. Expenditures from bond proceeds or State loans and grants for construction are not included. Also, child care centers are omitted.

**District expense by grade level, 1953-54**

Elementary school districts, which generally have eight grades plus kindergarten, had the greatest total expenditure. In 1953-54 they spent 41 percent of the \$741,744,000 general funds. High schools spent 26 percent and junior colleges 4.4 percent. Unified district expenditures, with varying numbers of grades (K-14), were 28 percent of the total. The 1953-54 district relationship is similar to that of other recent years.

**1953-54 district general funds expense**

	Amount	Percent	Average daily attendance, percent
Elementary.....	\$302,363,000	40.8	49.0
High school.....	193,065,000	26.1	19.9
Junior college.....	32,297,000	4.4	2.8
Unified.....	210,998,000	28.4	23.3
Total.....	741,744,000	100.0	100.0

**District expenditure by type, 1953-54**

The cost of instruction must obviously be the greatest expense in the public schools; in 1953-54 it amounted to \$485 million or 60 percent of the total of the districts expenditures. The operation and maintenance of the school plants came next with \$97 million or 12 percent.

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Bond interest and redemption, excluding \$4 million repayment of State loans, was third in magnitude with \$62 million or 7.7 percent. The district's debt charges, for bonds issued by them, are a part of the district's tax requirements and thus are included in the expenditure total, as are also building funds (Other than construction from district bond proceeds and State grants and loans).

Capital outlay amounted to \$81 million or 7.4 percent. Retirement and other fixed charges were next in magnitude with \$36 million. Other items of expenditure were relatively small in percentage relation.

## Total district expenses, 1953-54

	Amount	Percent
Instruction.....	\$48,873,000	60.0
Plant maintenance and operation.....	80,808,000	12.0
Capital outlay.....	68,192,000	8.8
Administration.....	27,091,000	3.4
Sundry services.....	21,506,000	2.7
Transportation.....	16,345,000	2.4
Retirement benefits, etc.....	36,200,000	4.6
Subtotal.....	741,744,000	91.8
Bond interest and redemption.....	61,634,000	7.6
Building funds.....	6,198,000	0.6
Total.....	809,604,000	100.0

## Current cost, 1953-54, per average daily attendance

The statewide current cost per average daily attendance in 1953-54 averaged \$306 for all grade levels. By grade level the costs were as follows: Elementary \$255; high \$400; junior college \$420; and unified \$315. The cost of instruction stepped up from \$185 in the elementary districts to \$278 in high and \$306 in junior colleges.

## 1953-54 current cost per average daily attendance

	Elementary	High	Junior college	Unified	Total
Instruction.....	\$185.37	\$277.81	\$306.67	\$231.87	\$225.37
Plant.....	22.97	61.63	67.02	46.40	43.94
Fixed charges.....	11.80	21.40	26.12	13.80	14.63
Administration.....	10.78	15.71	20.00	11.67	12.28
Transportation.....	9.13	14.76	4.33	4.42	8.78
Services.....	4.42	8.80	4.64	7.47	6.16
Total.....	\$356.81	400.10	429.47	315.83	\$306.16

## Current cost of education per average daily attendance, by grade level

The statewide average current cost per average daily attendance, for all grade levels, increased from \$207 in 1947-48 to \$306 in 1953-54. By type of district increases were: Elementary, \$165 to \$255; high, \$273 to \$400; junior college, \$258 to \$420; and unified, \$224 to \$315. The effect of the decreased purchasing power of the dollar was substantial in these changes.

## Total current cost per average daily attendance

	Elementary	High	Junior college	Unified	Total
1947-48.....	\$165	\$273	\$258	\$224	\$207
1948-49.....	183	306	284	241	228
1949-50.....	194	313	306	251	230
1950-51.....	203	336	372	266	254
1951-52.....	214	354	406	282	297
1952-53.....	234	378	426	295	285
1953-54.....	255	400	429	315	306
Percent increase 1947-48 to 1953-54.....	54.5	46.5	65.5	40.6	47.8

*Instruction expense*

Instruction expense in 1953-54 for all districts and grade levels was \$485 million. Most of this was for certificated personnel—teachers—10 percent was for noncertificated personnel and other instruction expense.

*1953-54 instruction expense*

Certificated personnel.....	\$435,409,000
Noncertificated personnel.....	20,728,000
Other expenses.....	29,376,000

Total..... \$485,513,000

"Certificated salaries of instruction" for all grade levels increased from \$209 million in 1947-48 to \$435 million in 1953-54. Related to attendance, this expense per average daily attendance increased from \$187 to \$197.

*Instruction salaries*

	Amount	Per average daily attendance		Amount	Per average daily attendance
1947-48.....	\$209,086,000	187	1951-52.....	\$325,671,000	171
1948-49.....	241,230,000	149	1952-53.....	\$71,028,000	183
1949-50.....	265,468,000	155	1953-54.....	435,409,000	197
1950-51.....	287,653,000	161			

In the same period this cost by grade level increased in percent as follows: Elementary, 49.1; high, 40.4; and junior college, 64.7. In 1953-54 the cost per average daily attendance was \$170 for elementary, \$243 for high, and \$251 for junior colleges.

*Per average daily attendance*

	Elementary	High school	Junior college
1947-48.....	\$114	\$178	\$188
1948-49.....	134	180	187
1949-50.....	130	184	176
1950-51.....	134	203	209
1951-52.....	143	216	232
1952-53.....	155	220	245
1953-54.....	170	243	251
Percent increase, 1947-48 to 1953-54.....	49.1	40.4	64.7

*Salaries, teachers and administrators*

In 1954-55 half of the teachers in all grade levels were paid more than \$4,707 and half were paid less than that amount—in 1947-48 this median point was \$3,821, an increase of 41.7 percent.

Median full-time teacher salaries by grade level in 1954-55 were as follows: Elementary, \$4,477; high school, \$5,137; and junior college, \$6,042. Compared with 1947-48 the increases in percent were as follows: Elementary, 44.6; high school, 27.7; and junior college, 48.9.

*Median, teacher salaries*

	1947-48	1954-55	Percent increase
Elementary.....	\$3,097	\$4,477	44.6
High school.....	3,731	5,137	37.7
Junior college.....	4,059	6,042	48.9
All teachers.....	3,821	4,707	41.7

In 1954-55 median salaries of school principals were as follows: Elementary, \$7,193; high school, \$8,592; and junior college, \$9,600. Directors were paid a median of \$7,719 and supervisors, \$8,748.

The medians for superintendents were: Elementary, \$9,975; high, \$12,000; junior college, \$12,000; and unified, \$11,483.

*Median salaries, 1954-55*

<b>Principals:</b>	
Elementary.....	\$7,183
High school.....	8,592
Junior college.....	9,800
<b>Director</b> .....	7,719
<b>Supervisor</b> .....	6,478
<b>Superintendent:</b>	
Elementary.....	9,975
High school.....	12,000
Junior college.....	12,000
Unified.....	11,483

In the period 1947-53 salaries and wages in California have increased substantially. In the reportings to the State department of employment, employees in specific groups were increased as follows: Finance and insurance, 48 percent, and wholesale and retail trade, 85 percent. State pay rates are related to prevailing rates in private and public employment--In this same period the average State employee pay increased 44 percent (including some upgrading of specific positions).

*Average teacher salaries, other States*

California and New York led the Nation in teacher pay in 1954. The average annual salaries of teachers in California and New York were estimated to be \$5,050 (Research Division, NEA). The figure for California is somewhat higher than the median computed by the State department of education shown in the preceding section. In these dozen largest States, the lowest was Missouri with an average of \$3,820. Of the smaller States not tabulated, 17 had averages exceeding Missouri's--the high being \$4,488. Both elementary and secondary teachers are averaged in these figures.

*Salaries*

California.....	\$5,050	Pennsylvania.....	\$4,141
New York.....	5,050	Massachusetts.....	4,125
Illinois.....	4,500	Ohio.....	4,100
New Jersey.....	4,470	Texas.....	3,978
Michigan.....	4,400	North Carolina.....	3,829
Indiana.....	4,185	Missouri.....	3,820

*Capital outlay expenditures, 30 years*

California built nearly \$2 billion of school plant in the 30-year period, 1924-25 through 1953-54. In the last 7 years of this period just short of \$1½ billion was spent.

*Capital outlay expenditures*

1924-25 to 1930-31.....	\$226,627,000
1931-32 to 1940-41.....	219,000,000
1941-42 to 1946-47.....	80,157,000
1947-48 to 1953-54.....	1,444,316,000
<b>Total, 30 years.....</b>	<b>1,980,100,000</b>
1947-48.....	87,001,000
1948-49.....	158,721,000
1949-50.....	184,875,000
1950-51.....	199,405,000
1951-52.....	239,686,000
1952-53.....	292,043,000
1953-54.....	283,685,000
<b>Total.....</b>	<b>1,444,316,000</b>

Following the swelling school population in the last half of the twenties, a quarter billion dollars was invested in schools in the 7 years, 1924-25 through 1930-31. A small amount was for junior colleges; the balance was almost evenly divided between elementary and high schools.

Through the depression years and up to the beginning of World War II—10 years—a total of \$219 million was spent for capital outlay. This was divided in the following percentages: Elementary, 43; high school, 53; and junior college, 4.

During the next 6 years, in which construction was severely restricted because of war labor and material shortages, a total of \$90 million of school plant was constructed. This was divided in the following percentages: Elementary, 50; high school, 35; junior college, 4; and unified, 12. The unified district program, as related to construction, started in 1945-46.

Starting with \$87 million in 1947-48, and reaching a peak of \$292 million in 1952-53, a vast expenditure of \$1.444 billion was made in the 7 years through 1953-54. This was divided percentagewise as follows: Elementary, 47; high school, 20; junior college, 4; and unified, 23.

### 30 years of capital outlay

	Amount	Percent
Elementary.....	\$223,200,000	47.1
High school.....	636,637,000	32.3
Junior college.....	66,600,000	4.4
Unified.....	343,728,000	17.3
Total.....	1,990,100,000	100.0

As is to be expected, with the biggest increase in enrollment in the elementary grades, nearly half, or not too far from a billion dollars was spent by elementary districts—in addition, a large part of the unified district spending was for the lower grades.

In spite of these huge expenditures, the school plant currently is inadequate in some areas. It is estimated by the State department of education that some 40,000 additional elementary and secondary classrooms will be needed by October 1959.

### Capital outlay, 1953-54, by object

In the construction of a school plant, sites must be purchased and improved, and the buildings must be equipped. More than three-fourths of the outlay in 1953-54 (78.4 percent) was for buildings, 10.3 percent was for equipment, and site acquisition and development were 6.9 and 5.4 percent, respectively.

### Capital outlay, 1953-54

	Amount	Percent
Land.....	\$10,805,000	6.9
Improvement of ground.....	18,824,000	5.4
Building.....	221,068,000	78.4
Equipment.....	29,107,000	10.3
Total.....	292,634,000	100.0

### District bonded indebtedness

California's constitution authorizes school districts to issue bonds—the assent of two-thirds of the qualified electors is required. Statutes limit the debt of a school district to 5 percent of assessed valuation for each level: Elementary, high school, and junior college—a maximum of 15 percent for all three.

The outstanding bonded indebtedness of all school districts as of June 30, 1954, was \$844 million. The unified districts led with \$300 million outstanding, but they averaged 41.4 percent of their bonding capacity as compared with 46.8 percent for elementary districts which had a debt of \$274 million. High-school districts with \$257 million outstanding averaged 39.3 percent of their bonding capacity. The debt of junior college districts was relatively small—both in the \$12 million amount and in the 3.6 percent of bonding capacity.

Bonded indebtedness, June 30, 1954

	Amount	Percent of bonding capacity
Elementary.....	\$77,182,000	44.8
High school.....	247,274,000	55.2
Junior college.....	11,504,000	8.6
College.....	800,300,000	41.4
Total.....	\$44,088,000	

### Post trend, bonded indebtedness

In 1930, the bonded indebtedness of all school districts was \$50 million. In a decade the debt rose to \$218 million. With the slackening of construction, both in the thirties, and during the war, outstanding bonds dropped to \$183 million in 1943. The necessity of providing more classrooms increased debt to \$416 million in 1950 and to \$444 million as of June 30, 1954.

June 30—	Bonded indebtedness	June 30—	Bonded indebtedness
1930.....	\$40,778,000	1950.....	\$476,040,000
1935.....	106,094,000	1951.....	500,007,000
1939.....	218,403,000	1952.....	601,200,000
1943.....	193,868,000	1953.....	718,891,000
1949.....	182,426,000	1954.....	844,088,000
1953.....	182,856,000		

### Capital outlay, sources of revenue

In the 9 years following World War II, slightly more than half of \$1 1/2 billion of capital outlay was financed from the proceeds of district bond issues—\$781 million or 52 percent. Close to a quarter was paid by property tax levies—\$361 million or 24 percent. State loans and grants came third with \$324 million or 22 percent. Federal aid was \$30 million or 2 percent.

9 years of capital outlay finance, 1945-46 through 1953-54

	Amount	Percent
Property taxes.....	\$360,863,000	24
State loans and grants.....	\$324,138,000	22
Federal aid.....	\$30,497,000	2
District bond proceeds.....	780,600,000	53
Total.....	1,496,100,000	100

### State aid for public school construction

The State started participation in schoolhouse finance in 1947. Two appropriations by outright grants were made in 1947 and 1948 which totaled \$56 million. These were made to districts which were bonded to capacity—5 percent of assessed valuation. The number of applications, greatly in excess of available funds, showed a large-scale need for State aid.

The electorate approved a \$250 million bond issue in 1949. Applications for funds exceeded the amount of the bond issue by November 7, 1951, when applications were cut off.

Another bond issue for \$185 million was approved by the voters in 1952; however, legislation provided an alternate use of \$20 million of general fund surplus which brought the issue down to \$165 million.

### State aid—school construction

Appropriations, 1947, 1948, 1952.....	\$75,000,000
Bond issue, 1949.....	250,000,000
Bond issue, 1952.....	165,000,000
Bond issue, 1954.....	100,000,000

In 1954 the voters approved another bond issue of \$100 million which was estimated to last until after the 1955 general election. The 1955 legislature placed another \$100 million issue on the 1955 ballot.

Under present law, State allocations are limited to \$5 million per month. As of August 1955 approved applications totaled \$165 million, whereas \$175 million was available. The \$5 million monthly control has not been restrictive for a year and priorities which were used at the outset of the program are not needed now.

To qualify for State funds, district debt either must be up to 95 percent of its bonding capacity or within \$25,000 of such limit.

Depending on the assessed valuation of the district and other factors, the State allocation may be either a loan, which will be completely repaid or a combination of a loan and a grant. It has been estimated that the districts will repay about half of the bond interest and redemption charges required for the several State bond issues.

Repayments to the State are made under tax rate requirements set up by law. Interest charges must be paid for 25 years and principal repayments for 30 years. Longer periods are required for multipurpose rooms. Space and cost limitations are provided by statute.

To date this State-aid program has been extended primarily to elementary and unified schools. About a third has been used for replacement of unsafe and obsolete buildings. It is expected that a large part of future funds will be used for secondary schools in which replacement may run 25 percent.

Some districts in the State-aid program have a combined debt—their own bonds plus State grants and loans—which exceeds one-third of assessed valuation.

In 1953-54 the State's payment of interest and redemption charges on its outstanding bonds was \$7,015,000; the districts paid \$4,023,000, a total of \$11,041,000.

#### *State department of education, expenditures*

The operating expense of the State department of education was \$2,464,000 in 1953-54. In addition the department spent \$392,000 for vocational education which was largely used in administering funds subvented to districts.

#### *Expense, general activities, State department of education*

1941-42.....	\$229,000	1950-51.....	\$1,712,000
1946-47.....	864,000	1951-52.....	1,900,000
1947-48.....	1,226,000	1952-53.....	2,331,000
1948-49.....	1,898,000	1953-54.....	2,464,000
1949-50.....	1,638,000		

The State budget describes the department as performing "administrative, supervisory, and advisory functions for the public-school system under the general direction of the board of education. Also responsible for the administration of 10 State colleges, California Maritime Academy, 5 special schools for physically handicapped children, 3 workshops for the blind, the vocational rehabilitation program, and the State-Federal program of vocational education. These activities are carried on through the divisions of departmental administration, school administration, instruction, State colleges and teacher education, special schools, and services and libraries."

About a fifth of the \$2,464,000 expenditure was for the division of State colleges and teacher education. In that teacher credentials are issued by this division, it is evident that most of the activities of the department are related to the operation of the public-school system.

#### *Teacher's retirement, State expense*

The State's part of the cost of the teacher's retirement system has increased from \$4 million in 1946-47 to over \$23 million in 1953-54. The system now contains over 150,000 beneficiaries.

Teacher's contributions are on a full reserve basis. However, State obligations are appropriated annually in amounts necessary to meet payment of monthly benefits. The benefits were liberalized in the 1953 session and will become effective in 1956-57. The change will cost an estimated \$12 million per year and will be met by local school districts through an override tax. Each district will contribute to the retirement system an amount equal to 3 percent of the certificated payroll.

*State cost, teacher's retirement*

1946-47.....	\$4,015,000	1951-52.....	\$16,890,000
1948-50.....	10,855,000	1952-53.....	18,522,000
1950-51.....	10,650,000	1953-54.....	23,456,000

Noncertificated school employees are covered under the State retirement system. Los Angeles, San Francisco, and San Diego School Districts have operated retirement systems independently from the State. However, these have been supported in part by State funds.

## SOURCES OF STATISTICAL DATA

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School district organization : "California Schools," January 1955  
School attendance : "California Schools"  
Capital investment : "California Schools," June 1955  
Salary reports  
Assessed valuation per average daily attendance
2. State controller : Financial transactions concerning school districts, cities, and counties
3. State budgets :  
State expenditures for public education  
General fund expenditures and revenue  
Per capita tax collections  
United States Office of Education :  
School enrollments other States  
Average annual salaries of teachers  
Public school finance programs of the United States
4. United States Department of Commerce :  
Dollar value and price data  
Income of individuals  
Population data  
State and local government financial data
5. United States Treasury reports : Federal expenditures, revenue, and debt
6. National Education Association : Teachers salaries

CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
Washington, D. C., February 22, 1957.

HOUSE EDUCATION AND LABOR COMMITTEE,  
House of Representatives, Washington, D. C.

GENTLEMEN : I enclose herein an editorial from the Charlotte Observer which was sent to me by a constituent of mine, Mr. S. Bryan Jennings, Middleburg, Fla. I believe that this material should be put in the record of the hearings on any Federal aid to education legislation of a nationwide scope which may occur during this session of Congress. I will appreciate the inclusion of this material, if at all possible. It seems to me that a strong case is made by this material for the idea that if local communities wish to do so, they could eliminate any school building and teacher emergency condition which now exists by the simple process of putting the schools on a basis wherein the buildings and the teachers could be used on a year-round basis with the pupils being in school three-fourths of the year. The chief difficulty about presenting a program of this type is that most people think that you want the children to go to school for an entire year, while the program is for the utilization of teachers and schools for an entire year, rather than for the children attending for an entire year. The children would choose which of the 3 quarters they individually would like to attend school, or they would be allocated the 3 quarters most convenient for the school system.

With kindest regards, I am  
Sincerely,

CHARLES E. BENNETT,  
Member of Congress



[The Charlotte (N. C.) Observer, January 12, 1957.]

## TWELVE-MONTH SCHOOLING PLAN GAINS IN SOUTH CAROLINA

By Hoke May, the Observer Bureau

COLUMBIA, S. C.—A 12-month school-operation plan aimed at relieving overcrowded classrooms and slashing construction costs was gathering support in South Carolina Friday.

Gov. George Bell Timmerman proposed the idea to the general assembly in his annual message Wednesday.

The chief executive advised legislators to consider establishing an experimental pilot school where the project's possibilities could be tested.

His suggestion was endorsed Friday by State Superintendent of Education Jesse T. Anderson.

Timmerman, who presides over the State educational finance commission, conceived the project in a search for better ways to utilize existing school buildings.

Ultimately the plan is aimed at increasing the student capacity of existing schools by a third without spending more money for construction.

Figures developed by the Governor's office indicate the 12-month operation would save South Carolina \$60 million or more in the future.

Other benefits, the Governor feels, would be increased use of current teacher staffs, better educations for slow students, and an opportunity for bright pupils to advance more rapidly.

The plan envisions year-around operation of school buildings, but students themselves would continue to attend classes only on a 9-month basis.

In making the suggestion Timmerman said the plan should be used only by local systems cramped by space shortages. Richland County, Columbia, where the local school officials have drawn their full quota of State building funds and reached their bonded debt limit, is one example.

Timmerman and his staff have investigated the proposal far enough to establish that the program is at least mathematically sound.

Basically it would work this way:

A school with a pupil capacity of 900 could add 300 more students by breaking its school year into four 8-month semesters.

A new class would start at the beginning of each quarter. By the time the fourth class dug into its textbooks the first group of pupils would be on vacation.

As a practical matter, the Governor said, the plan would add a third more working space to South Carolina schools, many of which are overburdened by booming population growths.

At the same time, school systems could utilize a third more time of teachers who now spend only 9 months in their classrooms. State leaders feel that with the extra-pay incentive most instructors would jump at the chance.

If the proposal worked out, it would produce more work and more pay for instructors, plus an effective answer to the acute teacher shortage.

TEXAS ASSOCIATION FOR RETARDED CHILDREN, INC.,  
Fort Worth, Tex., February 20, 1957.

HON. GRAHAM A. BARDEN,

Chairman, House Education and Labor Committee,  
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN BARDEN: In connection with H. R. 3686 relative to Federal aid for school construction, we respectfully urge that your committee insert provisions in any approved bill to include State schools such as schools for the retarded, blind, etc. as being among those eligible for Federal aid for school construction.

The great increase in our birth rate that has caused a large increase in the need for new schools for normal children has also caused a proportionate increase in the need for facilities for the handicapped. In this Nation in which we recognize the dignity and worth of every individual, whether normal or handi-

<sup>1</sup> Reprinted by S. B. Jennings, Middleburg, Fla., with permission and by courtesy of Randolph Norton, managing editor.

The Florida State Chamber of Commerce, November 15, 1955, requested Florida school authorities to study the adoption of the 12-month three-quarter school plan in the interest of greater efficiency and economy.

capped, we should also provide an opportunity for education and training for the handicapped so that they may overcome their handicaps to the greatest extent possible.

We might emphasize that State schools for the handicapped have been excluded from the Hill-Burton Act on the theory that they were not hospitals but schools. They should therefore be included with other schools meriting Federal aid for construction purposes.

At the present time, our State board of hospitals and special schools has plans to build 3 new State schools for the retarded. They are actually needed right now because our present schools are overcrowded and have waiting lists already long enough to fill them. Most other States are in this same situation. Our State board hopes to obtain money from State sources to build 1 of these schools within the next 2 years. Unless Federal aid is received it will probably take 6 to 10 years to finance the other schools needed right now.

Yours very truly,

GEORGE A. PARKER, *President-elect.*

ASSOCIATED INDUSTRIES OF RHODE ISLAND, INC.,  
Providence, R. I., February 8, 1957.

HON. CLEVELAND M. BAILEY,  
Chairman, Education Subcommittee of House Labor Committee,  
House Office Building, Washington, D. C.

DEAR SIR: Associated Industries of Rhode Island, Inc., wishes to go on record as being opposed to the passage of H. R. 1 and H. R. 3986 and other similar bills providing Federal aid for school construction. While these bills differ in the amounts of expenditures proposed and in the methods of allocation to the States, they all have one thing in common in that they represent a proposed departure from the traditional concept of State and community responsibility for financing our public school system. These bills propose Federal intervention of a type that has never previously been approved by Congress.

It is certain that the financing of schools by the Federal Government will lead inevitably to Federal interference with and control of local school systems. It is practically impossible to write into legislation of this sort safeguards against Federal control. In practice, Federal administrators would support programs meeting their approval and discourage programs of which they disapproved. We believe that the Federal Government has no place in the control of local school systems and that they should be left in the absolute control of the local communities. We believe that the enactment of bills for Federal aid would defeat this concept.

Yours very truly,

EDWIN T. SCALLON, *General Manager.*

MISSISSIPPI ECONOMIC COUNCIL,  
Jackson, Miss., February 19, 1957.

HON. CLEVELAND M. BAILEY,  
Chairman, Subcommittee on General Education,  
House Education and Labor Committee,  
Washington, D. C.

DEAR MR. BAILEY: The Mississippi Economic Council is our State's State chamber of commerce. It is financed solely from volunteer membership from every county in the State, totaling 2,700 firms and associations.

Also affiliated with it on a dues-paying basis is every one of the State's 82 local chambers of commerce. Thirty-two State professional and trade associations are also affiliated. This membership structure, I believe, is proof that the organization properly reflects the thinking of business and professional leadership in Mississippi.

When the council was first organized in 1949, one of its first three objectives was a research study to determine whether or not the State of Mississippi should support further Federal aid for its public school system. Three years later this organization came to the conclusion that even in the face of a great reorganization program, which would cost the State many millions of dollars, such a program should be financed solely from State and local funds.

Our conclusions are not arrived at by haphazard means and through emotional appeals or opinion polls, but by careful weighing of the facts.

The membership of the organization was reminded of the tax cost involved in financing our own school system. They expressed themselves in signed statements as being willing to be taxed on any basis necessary to provide ourselves with a school system comparable to those of other States of the Union. This position was taken without regard to the segregation issue and with an understanding that all children should be given equal opportunities.

Our policy was established in the light of economic facts, and with a full knowledge of those facts, and prior to the Supreme Court's decision outlawing segregated schools.

Subsequent adoption of the full reorganization program in Mississippi by our State legislature has not changed the council's policy. In fact, it has been re-viewed since that time and reiterated. Eighty-seven percent of the members have expressed themselves in support of the policy.

It does seem, to our membership at least, that if a State on the bottom of all States in per capita income and by virtue of that fact already heavily burdened with taxes is willing to assume the responsibility of financing its schools without Federal aid, that alone should indicate a firm conviction in principles.

Some of the statistical information being furnished to your committee by witnesses presents Mississippi in a very bad light. While these figures may be correct on the face of them, they do not begin to tell of the progress we are making in reorganization of a system and authority already granted by the legislature for financing an improved and equalized school system paid for with State and local funds.

We respectfully urge you and members of your committee to give this reasoning a great deal of weight in your final decision.

Respectfully submitted.

M. B. SWATZ.

CALIFORNIA FARM BUREAU FEDERATION,  
Berkeley, Calif., February 21, 1957.

HON. CLEVELAND M. BAILEY,  
Chairman, House Subcommittee on Education, House of Representatives,  
House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN BAILEY: In behalf of the California Farm Bureau Federation, I respectfully convey to you and your committee our thinking regarding Federal aid for school construction, the subject of several pending bills now being considered by your honorable body.

The American Farm Bureau Federation, of which California Farm Bureau Federation is a part, at its last annual meeting, December 31, 1956, stated:

"Rural people are especially concerned about proposals for Federal participation in public-school financing. We oppose expanded Federal aid to education. Adequate Federal assistance for school districts experiencing severe financial burdens resulting from Federal projects should be on a grant-in-aid basis."

The California Farm Bureau Federation, at its annual meeting, November 10, 1955, adopted a similar policy, expressed as follows:

"We believe that adequate Federal Government assistance, in the form of grants-in-aid or in-lieu taxes, should be made for school districts experiencing a severe financial burden resulting from Federal projects.

"We are vigorously opposed to any program of general financing of our public schools by the Federal Government.

"Present building programs are often too extravagant in the light of our long-time building needs. We need to satisfy only essential requirements.

"We want maintenance savings when practical. We cannot afford extravagance. Every effort must be made to practice economies and husband our resources."

In studying the foregoing policy statements and the discussion below, it is important to bear in mind that Farm Bureau has always been an untiring advocate of good schools and has always recognized the necessity for adequate finances but that our experiences of the past have taught us to be discerning in the selection of the means by which such good schools might be financed.

Proposals to increase the apportionment of Federal funds for schools to States and localities, with little or no regard for their ability to reasonably meet their own needs, are dangerous, destructive, wasteful, and against the best interests

of good schools, schoolchildren, and our form of government. This is true whether it be for school operation or for school construction. It is particularly true now when the Federal Government is heavily burdened with debt and its expenditures equal or exceed its revenue from exorbitant taxes and when we are threatened with centralized government.

Federal aid spells Federal control. The taxpayer properly looks to the taxing unit of Government to show results for the taxes collected or to be responsible therefor. With the imposition of a tax is thus associated a responsibility which must be met. If the Federal Government permits some other unit to spend its tax collections, the Federal Government must establish rules and regulations which assure proper expenditure. Surely no one would seriously think it safe to allocate centrally collected funds back to local units having nothing to do with their collection, without some stipulations as to the expenditure thereof. Surely no one would assume that California or New York, for examples, would permit their tax money to be apportioned without regulation to poor-school States which are doing less than we are to improve their poor schools. No one would think that the governmental unit imposing the tax—the Federal Government—would bear the blame of taxing and forego the prestige of administration and credit for benefits rendered.

Most States and localities are in better financial position than the Federal Government to finance education. Twenty-five years ago the Federal Government collected one-quarter of the taxes, now it collects three-quarters and has a corresponding unavoidable burden. In fact, with a staggering amount of obligations outstanding, it continues to spend more than it raises in taxes.

In times past many have advocated Federal aid to equalize school costs over the Nation. Now this is seldom the objective because the need for such has become less pressing during the last decade with the marked improvements in the ability of formerly poor districts to meet such costs.

Federal aid would often become substitutional for State and local finances. No locality would tax itself if it had reason to expect Federal funds to meet its needs. This thought was frequently expressed at the White House Conference on Education about a year ago.

We are convinced that if other States make an effort to meet their own school housing needs comparable to that made by California they will independently and locally meet their school housing problems. It is obvious that they will not do so, however, so long as Congress holds out hope for Federal aid.

The extent to which California State government has exerted itself to augment corresponding local contributions and the products of heavy State and local school taxes is indicated by the facts that a total of \$635 million in State bonds for loans and grants to public schools districts for schoolhouse construction has been approved by the people of California since the first bond issue of this series, for \$250 million, approved in November 1949. In addition, in 1947 the State legislature appropriated \$55 million out of wartime surplus State funds for direct grants to school districts for schoolhouse construction. This brings to \$600 million the total of State funds which the people of the State of California have put up to provide school housing in areas where the communities lacked the resources to provide needed schools.

Another State bond issue is before the legislature to continue this program.

Removal of financial responsibility, and with it control, from the State and local governments to the Federal Government, will lose much of the public interest in education and yet "How can we obtain continuing interest in education?" was one of the general subjects at the White House Conference on Education. Surely there is no more generally accepted truism than that "we are most interested in those things closest to us." How could we be otherwise? Then why should we seek some roundabout method of financing schools about which the average person has little specific information and tends to have little interest?

Thomas Jefferson said, "What has destroyed the liberty and rights of men in every government which has ever existed under the sun? The generalizing and concentrating of all cares and powers into one body, no matter whether of the autocrats of Russia or France, or of the autocrats of a Venetian senate."

Thomas Jefferson might well have been writing of our day and of the school finance problem. In any event he forcefully expressed our sentiments and we respectfully ask you to heed his warning and put to rest, once and for all such Federal aid measures which are holding out hope to people—hope which pre-

vents them from making the contributions which they are well able to make for the development of their own schools.

Sincerely,

RICHARD W. OWENS,  
*Secretary-Treasurer.*

LAKE COUNTY FEDERATION OF TEACHERS,  
*Waukegan, Ill., February 18, 1957.*

Representative CLEVELAND BAILEY,  
*House of Representatives,*  
*Washington, D. C.*

DEAR SIR: The members of our grade school faculty, members of the American Federation of Teachers, Local 504, wish to inform you that we are in favor of Federal funds for school construction and urge you to support the pending legislation in this regard.

Fraternally yours,

RUTH RUSTON,  
*Secretary, Grade School Unit, Local 504.*

STATEMENT OF FERN M. COLBORN, SECRETARY, SOCIAL EDUCATION AND ACTION, NATIONAL FEDERATION OF SETTLEMENTS AND NEIGHBORHOOD CENTERS, NEW YORK, N. Y.

In this statement I would like to call the attention of the committee to the problems that affect the family in areas of our country that are without sufficient schoolrooms. There is first the family in which both the mother and father are employed, or the family in which the father is not present in the home and the mother must supplement the income by working. We have a higher percentage of women working in the labor force at the present time than at any time in all history. This is due to two factors: (1) the critical labor shortage in certain areas, therefore, the recruitment of women to fill this shortage; and (2) the inflationary economic situation in which we are living, so that it is necessary for the women to work outside the home in order to supplement other income. By and large these women leave the home at the time the child is approaching the teen age or a little younger, and at the time when most of our children are apt to get in trouble because they do not have adequate supervision, in addition to the fact that many areas are short of classrooms and are on part-day schedule. This means that the working hours of the mother and the time the children are in school cannot be made to coincide or anywhere near coincide in a great many cases. This results in the child being without supervision for several hours each day at the time when the child is in most critical need of supervision. Another factor that is also affecting family life, due to the classroom shortage, is the various hours when children are in school. Many mothers today are finding that it is a full-time job getting their children to and from school and must reorganize their entire household routine due to the fact that children in the same family attending the same school have different hours so that the mother is involved in getting her children off to school and back home, fed, and so on, from early morning until well into the evening hours. This upsets ordinary family routine and the kind of family associations which might normally be expected in the family as well as orderly hours of rest and some kind of orderly schedule that is considered to be beneficial in family living.

Another factor that this classroom shortage is forcing upon the family is the kind of education that the school must compromise with as a result of the shorter schoolday. This is happening at a time in our society when our children need more education and not less so that many of our children are being cheated either of getting a mastery of the basic subjects which fit them for later vocational or college training, or cheated of cultural subjects which they should have the opportunity of benefiting from in order that they more fully enjoy the opportunities later in life. Many parents are aware of the fact that this compromise in education will vitally affect the future earning power of their children. The education authorities are not to blame for this as they have tried to make the best of a bad situation, but rather it is the shortage of classrooms and the shortage of teachers. Both of these factors, are of course, in many instances related to the shortage of funds for education.

The above paragraph points up the lack of opportunity for a full life and full earning power which we are currently taking from this generation of children. Our industry and our economy remain strong if we have the manpower to handle the machines which we have been clever enough to invent, and if we have the manpower equipped with training to enjoy the good things of life which are available to us in the greater leisure which our machines are providing. Our progressive economy will fail unless we recognize this and remedy it without further delay.

There is considerable discussion over how much money should be allotted for classrooms. In my opinion both of the major bills under consideration by this committee are too low in the amount that they ask for. They are too low because any simple calculation of the number of classrooms needed, even the most conservative one, multiplied by the cost of classrooms indicate that the amount should be more than is being asked for in either of these bills. Let us not come forth with too little and let us not come forth too late. I would therefore recommend that the committee give serious consideration to raising the amount of money that is envisioned in the bills under consideration, so that we may more adequately meet this need, and that we may meet it now. Already in many regions the birthrate has declined, in fact this is true of most areas, I believe, and children are approaching the age of 6. Many of them are now there, and it is now that the classrooms are needed, not 5 years from now.

Regarding the Federal-State matching formula, since it differs in the bills before this committee, I would urge that the committee establish a formula in such a way that it can be based on a demonstration of classroom need in a given area, and not on population. There will be a fair connection between these two items but if it is based on a population figure rather than the need figure it means that many areas in the so-called richer States will continue to be plagued by the shortage of classrooms. Next, I would urge that there be "seed" money to encourage local school boards to begin school construction now and that a State or locality be given a certain length of time to overhaul their tax structure in order to get matching funds. I am aware, as I travel around this country and it is my job to do just that, that many areas are plagued with a tax structure that is tied to revision of their laws which are impossible to accomplish immediately, and even though they are making serious efforts to do this the problem cannot be licked immediately because of the laws which regulate it. This is why money to get the program underway with matching to come later is a very important factor.

I am attaching a copy of the position of our organization on Federal aid for education. Although this legislation deals specifically with school construction, you will note that it is the position of our organization that Federal funds are needed for other parts of the school program. It is our hope that Congress will give early consideration to these matters as well.

#### NATIONAL FEDERATION OF SETTLEMENTS AND NEIGHBORHOOD CENTERS

Resolution adopted at delegate meeting, May 20, 1955, San Francisco, Calif.

##### PUBLIC EDUCATION

Because children have always been a primary focus in the settlement- and neighborhood-center field, and because we feel a keen responsibility for their future which is seriously handicapped through a nationwide public school system which finds itself unable to meet increasing demands, we recommend that the following steps be taken:

1. We urge that the Secretary of Health, Education, and Welfare direct her strongest effort to secure from Congress, funds sufficient for adequate school facilities and the training of teachers. A large-scale building program is an obvious necessity in view of the sharp increase in the child population. The present shortage of teachers is disturbing. The solution of both of these problems requires allocation of funds from the Federal Government. We urge that Congress provide adequate funds to be administered through the States to the local communities.

2. We urge that more consideration be given to special facilities, research and staff for education of physically, mentally, and emotionally handicapped children. We recognize that effective planning must be done on the Federal, State, and local levels.

8. We urge that children who make up the growing migratory work pattern should not be the left-out children in the educational plans and developments in the areas where migratory labor is used.

4. We strongly urge that educators find ways to develop curriculum to include well-supervised work-school programs in all communities. These programs will thus provide a plan to keep young people in an educational setting while they gain job experience with full advantages for counseling and guidance.

5. We commend the Federal Government on its use of surplus foods in the school-lunch program, and we believe it would be beneficial to expand the school-lunch program through the increased distribution of the Government-owned surplus foods.

6. We believe that the signing of loyalty oaths as a condition of employment for teachers is an abridgement of civil liberties and will act as a deterrent in attracting highly qualified personnel and maintaining high standards in the teaching profession.

7. We believe State and local governments should work toward the inclusion of camping experiences in the educational curriculum as part of a necessary year-round educational experience.

Mr. BAILEY. The Chair notes the presence in the committee room this morning of a member of the general Committee on Education and Labor, the distinguished gentleman from Michigan, Mr. Griffin, who has some friends from Michigan.

Mr. GRIFFIN. Mr. Chairman, I do have a group of six principals from Michigan in the room. Maybe they would stand and make themselves known: Mr. William Ward, of Paw Paw; Mr. Roy Halliday, of Grand Rapids; Mr. Vincent McGugan, North Muskegon; Mr. Loren A. Disbrow, of Rockford; Mr. Robert Fry, of Grand Rapids; Mr. Carlo Barberi, of Mount Pleasant.

Mr. FRELINGHUYSEN. Mr. Chairman, I have also, I think, seven principals from my State of New Jersey, with whom I had breakfast a few hours earlier. I would also like to introduce them and have them stand if they would. It is a very fine group of individuals.

Would you stand as I call your names? Mr. Gerald F. Hopkins, principal, Mountain Lakes High School; Dr. R. T. Jacobson, principal, Jonathan Dayton Regional High School, Springfield; Mr. Robert Hough, principal, Arthur L. Johnson Regional High School, Clark, N. J.; Mr. M. N. Bouboulis, principal, Dunellen High School; Mr. George A. Oldham, principal, Collingswood Junior High School; Mr. Calvin E. Ingling, principal, Paulsboro High School; Mr. Edward O. Glaspey, principal, Haddon Heights High School.

Mr. BAILEY. Thank you, gentlemen.

Mr. GRIFFIN. Thank you, Mr. Chairman.

Mr. BAILEY. The Chair takes this opportunity to announce that we have three witnesses to be heard today. We have also present a representative of the United States Chamber of Commerce who did not conclude their testimony. If possible, we would like to clear the docket for the day. Therefore, let us be as brief as possible in not only the presentations but in cross-questioning the witnesses so that we may accommodate everybody who cares to be heard at today's session.

Our first witness this morning will be Clarence Mitchell, National Association for the Advancement of Colored People.

You may further identify yourself if necessary and proceed, Mr. Mitchell, with your testimony.

**STATEMENT OF CLARENCE MITCHELL, DIRECTOR, WASHINGTON BUREAU, NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE**

Mr. MITCHELL. Thank you, Mr. Chairman.

Mr. Chairman, I am director of the Washington Bureau of the National Association for the Advancement of Colored People. I have a statement which is brief and, if I may, Mr. Chairman, I would like to read it.

Before doing so, however, I want to say that, although we know that you differ with us on what we are about to present, we nevertheless have the deepest respect for your position on this entire matter; and I think it is important to say that because during this discussion on whether this amendment should or should not be adopted there have been people who have made the charge that some people voted for the amendment simply for the purpose of killing the bill.

The record shows, of course, that, while you opposed the amendment, in the final analysis when the amendment was a part of the bill you voted for the entire bill because I assume your interests in education for the children overruled any reservations that you might have had about this amendment.

Mr. BAILEY. The gentleman is exactly correct. I am interested in the boys and girls. I care not whether they are classrooms for white folks, colored folks, or mixed classrooms. We need classrooms.

Mr. MITCHELL. I might say that, as a parent and a person deeply conscious of the problems in the education field, I too have the point of view that there ought to be classrooms in which children are taught in accordance with the principles of law and order.

Mr. BAILEY. I thank the gentleman.

Mr. MITCHELL. Mr. Chairman and members of the subcommittee, thank you for this opportunity to appear before you. We ask that any bill for school construction reported out by this subcommittee include safeguards that will prevent the expenditure of Federal funds for racially segregated schools.

On July 5, 1956, the House adopted by a vote of 225 to 192, the following amendment offered by Representative Adam Powell to the pending school construction bill:

There shall be no Federal funds allotted or transferred to any State which fails to comply with the decisions of the Supreme Court (in the school segregation cases of 1954 and 1955).

This language, or some variation of it that accomplishes the same purpose, is more urgently needed now than it was a year ago.

Since the May 17, 1954 decision, at least 97 cases involving segregated public education have been initiated.

The suits seeking admission of children to nonsegregated public schools are listed by States as follows: Arkansas, 3; California, 2; Delaware, 9; Florida, 2; Kentucky, 7; Louisiana, 4; Maryland, 4; New Jersey, 1; North Carolina, 3; New York, 1; Ohio, 1; Oklahoma, 4; South Carolina, 1; Tennessee, 3; Texas, 4; Virginia, 6; West Virginia, 7; for a total of 62.

I think it is important to note that Ohio and New York, as well as New Jersey, are in that group because the charge is often made that this amendment that we propose is a punitive thing aimed solely at the South.



The record, of course, shows that it could be useful in other areas of the country.

In 4 States, 5 cases have been instituted indirectly questioning the legality of segregated schools by challenging the validity of bonds and the condemnation of land for building such schools. These States are: Florida, 1; North Carolina, 1; Oklahoma, 1; Virginia, 2; for a total of 5.

Twelve cases involved efforts of prosegregationists to enjoin or otherwise prevent the effectuation of nonsegregated education. The following shows the States and the District of Columbia in which these cases arose: Arkansas, 2; District of Columbia, 1; Georgia, 1; Kentucky, 1; Maryland, 3; North Carolina, 1; Tennessee, 1; and Texas, 2; for a total of 12.

It is important to remember that the celebrated *Lucy* case—and I have included the legal citation for the convenience of the committee—(*Adams v. Lucy* 228 F. 2d 619, 1955), in which a young colored woman was denied admission to the University of Alabama, did not arise because of the 1954 and 1955 decisions of the United States Supreme Court. The plaintiff in that case sought admission under a Supreme Court decision handed down in 1950 (*Sweatt v. Painter*, 339 U. S. 629).

As long ago as 1938, in the case of *Missouri ex rel Gaines v. Canada*, (305 U. S. 337), the United States Supreme Court held that colored citizens may not be denied a college education in State-operated schools because of race.

Nevertheless, it is still necessary to resort to court action for such admissions in some States. The following are the States and cases in which such legal action has been necessary since May 17, 1954: Alabama, 1; Georgia, 2; Louisiana, 6; North Carolina, 1; Oklahoma, 2; Tennessee, 1; and Texas, 5; for a total of 18.

Federal courts in Louisiana, on January 17 and January 28, 1957, signed orders restraining Louisiana State University and other State-supported institutions of higher learning from refusing to admit Negro students. The schools were barring colored students pursuant to recently enacted State legislation.

Suits have been brought against the National Association for the Advancement of Colored People as well as its officers and members for the purpose of preventing desegregation. To date, such suits have been filed in the following States: Alabama, 3; Florida, 1; Georgia, 1; Louisiana, 1; South Carolina, 1; and Texas, 1; for a total of 8.

The end is not yet in sight but already the cost of the aforementioned litigation to the victims of discrimination is expected to reach a half million dollars.

How much is a half million dollars? If one thinks in terms of the pennies, dimes, and dollars that those seeking to uphold the decisions of the United States Supreme Court must take out of their pockets, it is an enormous sum. If one thinks of the principle involved, the sum is small indeed. What is important here is the question of whether our country shall live under law or be torn by anarchy. Each time the collection plate is passed to gather funds for court costs on this issue, it is a reproach to the executive and legislative branches of our Government. By what logic does our powerful and rich Nation say to its colored citizens, even though you have won in a fair contest

we shall continue to give your adversaries money with which to build illegal schools? By what rule of justice does one explain the spending of Federal funds to support defiant States in their program of separation based on race?

If the foregoing represented the complete picture, it could be classified as a national disgrace. But that is not all.

Eight States of the Union have misused their resources for a major assault upon the Constitution of the United States. Almost overnight, they are able to pass restrictive laws in the legislatures for the purpose of penalizing individuals and whole communities that seek to comply with the United States Supreme Court decision in the school segregation cases. These states are Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, and Virginia.

In these States, committees of the legislatures and State officials are busily trying to erect roadblocks to orderly compliance with what is now the law of the land.

We ask the members of the subcommittee to note that in 1954 the State Legislature of Louisiana passed three segregation bills. One was described as a measure to maintain school segregation under State police power to protect "health, morals, better education, and peace." Another provides for cutting off State financing to any public school that eliminates racial segregation.

The same year, the Mississippi State Legislature met in a special session and approved a constitutional amendment which would give the legislature power to abolish public schools.

That year, also, the State of Georgia adopted a constitutional amendment to permit the establishing of private schools for the purpose of maintaining segregation. Gov. Marvin Griffin pledged that—  
come hell or high water races will not be mixed in Georgia schools.

Georgia Attorney General Eugene Cook said:

Surely the Court cannot be so naive as to have failed to take cognizance of the various plans under consideration in our respective States, the sole aim of which are to frustrate, rather than assist, the implementation (of the decision).

In 1955, the Georgia Legislature passed a law making it a felony for school officials of the State, municipal, or county systems to spend tax money for schools in which the races are mixed. Punishment is fixed at 2 years imprisonment.

That same year, the Florida Legislature passed a pupil assignment bill to enable individual counties to maintain segregation in public schools.

The Georgia Board of Education adopted a resolution to revoke forever the license of any teacher who "supports, encourages, condones, or agrees to teach mixed classes."

Mr. Chairman, with your permission, I would like to submit as an exhibit some clippings which have been photostated from the Columbus, Ga., Inquirer and the Atlanta Journal on that question of how the State is seeking to prevent teachers from even thinking about the implementation of the Supreme Court decision in the school segregation case.

Mr. BAILEY. If there is no objection, the material will be accepted for submission in the record.

(The documents referred to follow.)

[Columbia (Ga.) Enquirer, August 16, 1955]

## COOK DECLARES TEACHER OATH TO BE NAACP

By Richard Beckman

Georgia Attorney General Eugene Cook predicted here last night Georgia teachers belonging to the National Association for the Advancement of Colored People will resign or face eventual prosecution for perjury if they sign the oath required of teachers.

Mr. Cook was in Columbus to extend an official welcome to the State to youths from throughout the Nation and several foreign countries attending the 10th annual Jaycee golf tournament.

He referred to action taken at yesterday's Georgia Board of Education meeting in which the board rescinded two recent resolutions aimed at teachers who favor racial integration in public schools.

Mr. Cook, who had proposed the ban on NAACP membership for Georgia teachers after the board passed a resolution calling for revocation of the license of any teacher who approved of or agreed to teach racially mixed classes, read a prepared statement to the board yesterday.

He cited a code section which requires teachers to take an annual oath "to uphold, support, and defend the Constitution and laws of this State and of the United States and to refrain from directly, or indirectly, subscribing to or teaching any theory of government or economics or of social relations which is inconsistent with the fundamental principles of patriotism and high ideals of Americanism."

Last night, Mr. Cook said he does not intend as attorney general "to endorse" schoolteachers who pay dues to NAACP, which in turn will institute law proceedings in the State which he will defend.

He noted NAACP leaders have burned the rolls of members in Georgia so that there is no definite way of knowing how many members there are within the State.

Emphasizing he is "after NAACP and I don't care how I get them," Mr. Cook said his policy against "our way of life in the South" is formulated in New York and that he is in a position to show "some of the biggest contributors are members of the Communist-front organizations."

## THREE PETITIONS FILED

Mr. Cook pointed out three petitions for integration have been filed in Chat ham, Bibb, and Lowndes Counties, while suits are pending in Fulton County and against the University of Georgia law school.

He noted he has been able to keep the suit against the University of Georgia Law School from being completed for 18 months "due to technicalities," but that if he loses the suit, the school will be closed down since State funds cannot be used for integrated classrooms.

The official said, however, he is "not expecting NAACP to push their cause in Georgia's rural counties" and noted the Lowndes County petition was signed by only five Negro families.

[Atlanta (Ga.) Journal, August 17, 1955]

## TEACHERS WON'T HAVE TO SIGN ANY NEW OATH, COLLINS SAYS—CITIZEN PLEDGE IN EVERY CONTRACT AS SAFEGUARD FOR "AMERICAN IDEALS"

Teachers will not have to sign any new oath in order to comply with the State board of education's most recent ruling regarding teachers' beliefs, State School Superintendent M. D. Collins says.

Dr. Collins said Wednesday that a satisfactory oath is attached to the contract that every teacher signs each year with the county that employs him. The oath is on the back of the contract form.

After signing the front, the teacher merely turns the paper over and signs the back, Dr. Collins said.

The State board of education Monday tabled two controversial resolutions which would have directed punitive action against teachers who favor desegregation of the school system, or who were members of the National Association for the Advancement of Colored People.

Attorney General Eugene Cook told the board that present State laws and regulations could accomplish the purpose better than the resolution. The board then asked county boards of education to take over the job of seeing that teachers who favor desegregation are not permitted to work in the school system.

It instructed the county boards to get an oath from all teachers by October 15 that they will not subscribe to "any theory of government or economics or of social relations which is inconsistent with the fundamental principles of patriotism and high ideals of Americanism."

At first there was confusion as to whether a new oath would be required. Then, Wednesday, Dr. Collins called attention to the oath which is executed every time a teacher signs a contract.

On the back of the contract form, it reads in full:

"Before me, an officer duly authorized by law to administer oaths, personally appeared the undersigned, who, after being duly sworn, says that during employment as a teacher in the public schools, colleges, or universities, or in any other capacity as an employee of the State of Georgia, or any subdivision thereof, drawing a weekly, monthly or yearly salary, deponent will uphold, support, and defend the constitution and laws of this State and of the United States, and will refrain from directly or indirectly subscribing to or teaching any theory of government or economics or of social relations which is inconsistent with the fundamental principles of patriotism and high ideals of Americanism."

At the bottom of the oath are blanks for the signature of the teacher, and for the seal and signature of a notary public.

The signed contract forms are kept in the office of the school superintendent of each county or independent system.

The State board has held that if a teacher signs this oath in good conscience, he cannot hold any theories of "social relations" which are contrary to Georgia's traditional policy of segregated schools.

State board member W. T. Bodenhamer of Tift County said Tuesday, however, that he is not sure the State board has the power to define what "social relations" in the oath means. The legislature wrote the oath in a joint resolution, passed March 26, 1935. It may be up to the legislature to say what it means by the term, the board member said.

Mr. Bodenhamer, in addition to being a member of the State board of education, is also a Tift County legislator.

In addition to the oath on the back of the contract form, Georgia teachers are also required to swear in a separate oath that they are not Communists and have no sympathy with communism. This was started under the Herman Talmadge administration.

**Mr. MITCHELL.** The Louisiana Board of Liquidation of the State Debt set up a fund of \$100,000 for attorneys to fight suits to end segregation in public schools.

In 1958, the Alabama Legislature passed a resolution declaring the Supreme Court decision in the school segregation cases was null and void. It also adopted a constitutional amendment to withdraw aid from or close any school faced with integration.

Also in 1958, the South Carolina Legislature passed a law forbidding employment of NAACP members by the State, counties, school districts, or municipalities. The NAACP is now representing teachers who have been dismissed from their jobs under this statute in South Carolina.

You might say, Mr. Chairman and members of the committee, that that case has been before a three-judge court made up of Judge Ashton Williams, Judge Timmerman, and Judge Parker.

We lost in the first round by a 2-to-1 decision, but I would like to call to the attention of the committee this excerpt from Judge Parker's dissenting opinion in that case. He said:

There is no finding in the preamble of the statute, nor is there any contention that it is the purpose of the National Association for the Advancement of Colored People to overthrow the Government by force and violence or to engage in any other form of criminal conduct. The organization, as its name implies, is engaged in activities for advancing the interests of colored people and this has

involved its engaging in matters of public controversy such as the segregation cases, the results of which have been unpopular in some sections. This, however, is no reason why it may be proscribed by law or its members denied the right of public employment. The right to join organizations which seek by lawful means to support and further what their members regard as in the public interest or in the interest of a particular part of the public is protected by the constitutional guarantees of free speech and freedom of assembly and such right is one of the bulwarks of liberty and the social progress. The fact that organizations may render themselves unpopular with the majority in a community is no reason why the majority may use its power to enact legislation denying to their members the fundamental rights of constitutional liberty.

Mississippi has established a State sovereignty commission which has announced it will employ secret investigators for the purpose of halting integration in public schools.

On May 16, 1956, a story in the State Times of Jackson, Miss., said:

The State sovereignty commission today authorized Gov. J. P. Coleman to hire secret investigators and informants to get all the facts from the enemy camp in the segregation fight. The commission, created by the recent session of the legislature, was given \$250,000 to spend over a 2-year period as it sees fit toward maintaining segregation. It was also given broad powers to subpoena witnesses and examine documents.

The organization would keep an eye on what Coleman called clandestine meetings of Negro groups seeking integration, such as the National Association for the Advancement of Colored People.

The commission hired State Representative Ney Gore, of Quitman County, as its executive director at a salary of \$7,200 a year and voted to offer the job as full-time publicity man to Hal Decell, of Rolling Fork, editor of the Deer Creek Pilot, at \$6,500.

North Carolina has adopted a so-called Pearsall plan which permits the State to maintain segregation through private tuition payments and local option school closings.

I have photostats of those clippings, Mr. Chairman, and there is a significant paragraph in one which points out that a man named Hicks has been named the chief investigator. The paragraph says:

Chief Hicks is a former sheriff and if he doesn't know how to handle a job such as this, there just isn't one in the State who does.

With your permission, I would like to offer those as exhibits, Mr. Chairman.

Mr. BAILEY. With no objection, they may be admitted.

(The documents referred to follow:)

(Jackson (Miss.) Daily News, May 16, 1956)

#### STATE TO HIRE SECRET RACIAL INVESTIGATORS—PROBES TO AID IN FIGHT TO PRESERVE SEGREGATION; GROUP MAY INCLUDE NEGRO

By Phil Stroupe

The State Sovereignty Commission Tuesday voted to employ secret investigators as "an official arm of State government" who would "serve as the eyes and the ears" in the State's fight against racial integration.

Gov. J. P. Coleman, chairman of the 12-member group created to assure continued racial segregation, told the commission that plans approved by it today "will bring this commission into its full effect and fruition."

To carry out its work, the commission elected a full-time executive director, a director of publicity, and "such investigators as the chairman may deem necessary" to prepare the State's course of action against court suits to end segregation.

"We are not a beleaguered State with our backs to the wall," Coleman said. "I see no reason for alarm, frustration, or futility. We've got the ball and its up to the opposition to take the initiative."

## CHIEF HICKS HIRED

The commission voted to hire Chief L. C. Hicks of highway patrol to head the investigative force that will serve as the "intelligence corps" against the enemy camp.

"Chief Hicks is a former sheriff and if he doesn't know how to handle a job such as this there just isn't one in the State who does."

Governor Coleman was authorized, as chairman of the commission, "to employ such other investigators at salaries commensurate with their duties and responsibilities" to assist Chief Hicks. Hicks' salary would remain the same as it is with the highway patrol.

The commission elected Representative Ney Gore, of Marks, as its full-time executive director at a salary of \$7,200 a year. Gore, who served as secretary of the old legal education advisory committee, would be the mainspring of the commission. "He would be the correlator of our operations," Coleman said, "with full authority to travel and represent the commission."

## DECELL PUBLICITY DIRECTOR

Hal Decell, editor of the Deer Creek Pilot at Rolling Fork and publicity director for Governor Coleman in the 1953 campaign, was elected director of publicity at a maximum salary of \$9,500 a year.

In addition, the commission voted to employ Mrs. Stella Parham, former LBAC stenographer, as the chief clerical assistant for the commission at \$275 a month.

Attorney Hugh Clayton, of New Albany, suggested that one of the investigators to be employed by the commission "might even be a Negro."

House Speaker Walter Stillers and W. S. Henley, of Hazlehurst, constitutional law experts, suggested that the identity of the "investigators" be kept secret.

The commission authorized the fieldmen "to spend what money is necessary to acquire the information" needed to thwart efforts of integration.

The commission was given a \$250,000 appropriation by the legislature to accomplish its work.

Senator Earl Evans, Jr., of Canton emphasized the "vital and important role of the investigators."

## NEED FRIENDS

As the director of publicity, Henley said, "We need to win friends outside the South, and an expert will be required for that job."

The commission did not employ a legal adviser but all of its 12 members are lawyers and the need for legal advice can for the time being be found within its own ranks.

Governor Coleman named a three-member steering committee composed of Evans, Henley, and Attorney General Joe T. Patterson to make policy to submit to the full commission.

Other members present were: Lt. Gov. Carroll Gartin, Senator William Burgin of Columbus, Representatives Joe Hopkins of Clarksdale, W. H. Johnson of Decatur, George Payne Cossar of Charleston, and George Thornton of Kosciusko.

(Jackson (Miss.) State Times, May 15, 1956)

## SOVEREIGNTY UNIT VOTES TO EMPLOY HICKS AS PROBER—COUNTERATTACK ON INTEGRATION

By John Herbers, United Press staff correspondent

The State Sovereignty Commission today authorized Gov. J. P. Coleman to hire secret investigators and informants to "get all the facts" from the enemy camp in the segregation fight.

The commission, Mississippi's official segregation "watchdog," voted to hire highway patrol chief, L. C. Hicks to head counterintelligence activities against forces seeking racial integration.

"Whenever there is a petition filed for integration," Coleman said, "we will want to see what the basis is to it."

The organization also would keep an eye on what Coleman called clandestine meetings of Negro groups seeking integration, such as the National Association for the Advancement of Colored People and the regional council of Negro leadership.

Hicks would send out investigators to interview persons involved in integration moves in the courts "to get all the facts for a counterattack." The commission left it up to Coleman to decide how many men to hire to help Hicks and gave him freedom to spend a "reasonable" amount for paid informants.

House Speaker Walter Hillers suggested that the identity of Hicks' assistants be kept secret and the commission agreed. Attorney Hugh Clayton of New Albany suggested that one of the investigators "might be a Negro."

The commission hired State Representative Noy Gore of Quitman County as its executive director at a salary of \$7,200 a year and voted to offer the job as full-time publicity man to Hal DeCell of Rolling Fork, editor of the Deer Creek Pilot, at \$6,500.

In rolling Fork, DeCell said "possibilities are that I will accept" if the post is offered him, but he added he had not as yet been formally notified of his selection. "I think the post itself could be of great service to Mississippi, and I think it could also be effective in winning friends across the Nation," said DeCell.

DeCell, who is 31, served as director of publicity for Governor Coleman's gubernatorial campaign last summer.

He said his wife would take over operation of the Deer Creek Pilot should he leave his editor's post. The newspaper has received State and National Journalism awards.

DeCell, a native of Vicksburg, attended the University of Alabama and the University of Mississippi, is a former commercial artist and professional musician, and made three round-the-world trips during his service with the merchant marine from 1948 to 1947, including 42 months of sea duty.

Hicks would move from the highway patrol at his present salary.

The group postponed hiring a full-time attorney to map legal defense against integration efforts because the unidentified lawyer the commission had decided on rejected the offer.

Coleman reminded the commission that the NAACP had said it would file its first suit for school integration in Mississippi in June.

When suits or petitions are filed against a school district, he said, investigators would start to work gathering information on the people involved for use in drawing up court procedures. He suggested that they also would look for any violation of new State laws like one prohibiting fomenting agitation to break down the State's laws and customs.

The publicity man would conduct an advertising and publicity campaign in the North to give the Nation the real facts about Mississippi. A swing in public opinion favorable to southern customs would be the long-range goal.

The commission created by the recent session of the legislature was given \$250,000 to spend over a 2-year period as it sees fit toward maintaining segregation. It was also given broad powers to subpoena witnesses and examine documents.

Coleman appointed a subcommittee composed of Attorney General Joe Patterson, Attorney W. S. Henley, of Hazlehurst, and Senator Earl Evans, of Canton, to supervise setting up the commission's working organization, which will be headed by Gore, a Marks attorney. Gore was secretary to the old legal education advisory committee which mapped Mississippi's main defense against school integration.

**Mr. MITCHELL.** I think the committee might be interested in knowing that when I was last in Mississippi in November I had an opportunity to see how this commission works. It is one of the silliest and most time-wasting operations you can imagine. For example, there was a rustle behind the curtain in a meeting hall. We were meeting in a Masonic temple down there. There were some beautiful curtains such as are behind the members of this committee. There was a slight rustle behind those curtains and it turned out that here was one of the investigators standing behind the curtain to find out what was going on. We invited him to come to the meeting because we do not have any secret meetings. We would be happy to have him.

Then at a Sunday meeting this group had a car parked across the street from where we were meeting. Instead of coming across the street to find out what was going on, they were sitting there with high-

powered binoculars just across the street watching what was happening in our meeting.

I cannot understand how the State of Mississippi, which needs money for its schools, can afford to waste \$250,000 out of the taxpayers' money for that kind of comic-opera operation.

Virginia passed 23 laws in 1956, including those giving the Governor authority to take over an integrated school, reassign its pupils, and reopen it on a segregated basis. A series of laws were passed making it more difficult for organizations that favor integration to operate.

Perhaps the clearest statement on resistance is given by Gov. Marvin Griffin, of Georgia, in his State address delivered on January 16, 1957. He said:

More than 2½ years have passed since the United States Supreme Court, in its decision of May 17, 1954, sought to usurp from State and local governments the administration of school affairs. The effect of this unconstitutional and unlawful decree has not been felt in Georgia as yet. That fact is no mere accident. The determined and cooperative efforts of a dedicated people, a steadfast general assembly, and an administration committed unequivocally toward preservation of our cherished institutions—all of these working together have stemmed the tide.

But what does the Governor of Georgia have to say in the same address on the subject of Federal aid? Here are his remarks:

Georgia has forged into the lead in the Southeast in many other fields. One of the most important of these is the fact that she stands first in the 7-State area in the total amount of Federal funds brought into this State in benefits for our people under various matching programs. An alert State administration, taking advantage of all that is due Georgia, brought in \$91,800,000 Federal-grant payments in 1955, exceeding neighboring States in amounts ranging from \$15 million to \$47 million.

This is a beautiful illustration of the philosophy of "gimme and git." When funds are being passed out, the Governor of Georgia says "Gimme the lion's share." When it comes to obeying the law, he wants the Supreme Court and everyone else who favors integration in schools to "git out of the State."

The question that should trouble each Member of Congress is, Why should Federal funds be used to underwrite such open defiance of the United States Constitution?

Seeking an amendment to protect persons against discrimination on the basis of race is not new with our organization. The 1928 annual report of the NAACP states that we were then urging Congress to include safeguards against discrimination in proposed education bills S. 1017 and H. R. 7, then under consideration.

The record shows that safeguards were needed. Some of the best testimony on this point may be found in a speech by Dr. Buell Gallagher, president of the City College of New York, and former Assistant Commissioner of Education in the United States Department of Health, Education, and Welfare. This may be found on pages A2928 and A2931 of the Congressional Record for April 11, 1956. He said this:

There are two channels through which these funds flow to the States.

That was the funds, of course, for land-grant colleges.

The first derives from the Morrill Act of 1890 and its subsequent amendments in the Bankhead-Jones and other amending acts. These funds are administered through the United States Office of Education \* \* \* with scrupulous honesty



In accordance with racial safeguards written into the law. But there is another source—and a much larger one—from which funds also come to the States for land-grant institutions. These funds flow through the Department of Agriculture and Congress did not write racial safeguards into the legislation. Result? When these funds reach the States, they go to institutions for whites only. Under the old separate but equal doctrine (the Negroes') fair share would have amounted to a little over \$7 million in the most recent year for which reports are available. This is 16 times as much as they actually received under the laws where racial safeguards were observed. Nothing has ever been done about this. \* \* \* Nothing is being done today and nothing is promised. Meantime, the Federal funds flow to the States, there to be divided so that the Negroes are cheated at the rate of 16 to 1.

Now that the separate but equal doctrine is no longer the law, now that segregation in public education has been declared inherently unequal by the United States Supreme Court, it is even more important than ever before that the millions of dollars, proposed in the pending bills to be spent for school construction, not be used to perpetuate and extend racial segregation in the public schools of our Nation.

A question has been raised about what Southern colored people themselves think. Mississippi's former Governor, Hugh White, could answer that question. He called a State-level biracial meeting in July of 1964 to get support for a voluntary segregation plan. The plan included a building program to wipe out what was described as the \$115 million disparity between white and colored school facilities. The colored leaders, invited to the meeting by the Governor rejected the plan.

It is no exaggeration to say that the vast majority of colored citizens everywhere would regard Federal financing of more segregated public schools as a major national calamity.

Therefore, we strongly urge that appropriate safeguards be included in any bill reported by the subcommittee.

Mr. BAILEY. Mr. Metcalf?

Mr. METCALF. Mr. Chairman.

Mr. Mitchell, I do not want to get into an extended discussion with you. We had a discussion about this question the last time you appeared before the committee. If you recall, I was also on a subcommittee studying extension of Public Law 816 and Public Law 874 at that time.

Now, I have been unable to determine from your statement here whether you are for or against Federal aid for school construction.

Mr. MITCHELL. I think that it is very clear that we are in favor of Federal aid for school construction provided it is going to be spent in accordance with the law and not used for the illegal purpose of building segregated schools.

Mr. METCALF. Now, I recall that when you testified the last time before the committee you made the same statement about the so-called Powell amendment. Are you for or against the bill that Mr. Powell has introduced?

Mr. MITCHELL. Actually, Mr. Metcalf, we are for any bill that accomplishes the purpose of providing aid to the schools. I think that in that respect we are very much like the chairman.

As I remember last year, when there was a motion to recommit the bill for the purpose of adding some amendments which would be acceptable to the Republican side of the House, the chairman of this subcommittee voted for that and throughout tried to do everything possible to make a bill pass which would accomplish the purpose. Our

position is exactly the same as his with the one exception that we feel that it is a calamity for the Federal Government continually to pour funds that are collected from all the States into areas where the record clearly shows that it is going to be spent in an unlawful manner.

Mr. METCALF. So that the gist of your testimony here is your statement on page 576:

Why should Federal funds be used to underwrite open defiance of the United States Constitution?

Mr. MITCHELL. I would think that would be a fair statement of it, Mr. Metcalf, but in addition I think that the committee cannot be insensitive to the matters that I have presented here. It is impossible for me to see how a fairminded person like you, a former supreme court judge in your State, can look at what is happening in Georgia without having some pangs of conscience on the expenditure of funds in that manner.

Mr. METCALF. Well, the witness knows that I have some misgivings about what is happening in Georgia and in other parts of the United States. My approach to it would be to try to get a little more education, a little better school for both the Negroes and white people of Georgia rather than to keep either of them from attending the schools, but this is the inconsistency that I wanted to point out: That last year when we were studying Public Law 815 where all the money that goes into the school construction is Federal money, not matching but all of it, there was no Powell amendment. Some of that money may or may not have gone into segregated schools but you did not appear before the committee and demand that that be done at that time.

Mr. MITCHELL. I did not make a demand because I have long ago learned, Mr. Metcalf, that you do not get very far with demands, but I certainly made a very vigorous effort to persuade the members of this committee in my testimony before the committee. If you will check the record you will find that there was an extensive colloquy between Mr. Wier of Minnesota and myself on that question because so far as our organization is concerned we believe that all of these grants, whether they be for roads, schools, hospitals, or colleges or whatnot, ought to be given only if those who spend them spend them in accordance with the law.

Mr. METCALF. Have you been before the Interstate and Foreign Commerce Committee to ask them to change the law for the separate but equal doctrine for hospitals?

Mr. MITCHELL. I think that Mr. Haskell, as a former member of the Department of Health, Education, and Welfare, if he searched his mind on this thing would remember that there is an extensive file of correspondence over there on our efforts to persuade the Department that they should not give funds under the Hill-Burton Act, for example, unless there is a guaranty that the hospitals so built would be on a nonsegregated basis.

Mr. METCALF. That is not the law, Mr. Mitchell. The law is, as requested by your organization, that funds for Hill-Burton hospitals be distributed on a separate but equal basis.

Mr. MITCHELL. Not as requested by our organization.

Mr. METCALF. Mr. Powell sat there the other day and you were in the back of the room and heard his testimony. He said that he, at the request of this organization and other such organizations, had had that

legislation written into the Hill-Burton Act in the days of separate but equal.

Mr. MITCHELL. I would like very respectfully, Mr. Metcalf, to set the record straight on that in this way: We sought the inclusion of a provision in the bill which would prevent discrimination in the expenditure of those funds.

After that went through the legislative mill, what came out was very different from what we asked for. What came out was a provision which had a lot of clauses in it which had the effect of protecting the separate but equal doctrine in those States.

We contend that since the Supreme Court has outlawed the separate but equal doctrine, a proper application of the current language in the Hill-Burton Act should prohibit the expenditure of any funds for the building of segregated hospitals. That question is now before the Department of Health, Education, and Welfare in connection with a hospital down in Louisiana.

Mr. METCALF. Mr. Mitchell, I would say that there has not been any outlawing of the separate but equal doctrine of the Hill-Burton or any of the hospital funds. As I read the Supreme Court decisions they are based upon the proposition that a child, Negro or white, going to school under segregated conditions is deprived of certain educational opportunities.

Now, that does not mean that a patient lying in a hospital is deprived of certain opportunities to associate with his fellow patients and thus deprived of an equal opportunity to recover. Therefore, if you are so concerned with principle, it seems to me that you would come in to this Congress and insist that that separate but equal thing be reversed or that no money be appropriated for that purpose.

Mr. MITCHELL. We did that, Mr. Metcalf.

Mr. METCALF. There was not a word raised, however, on the House floor, as I can recall, about that appropriation when it went through last year. There was not a word raised about the allocation of money under Public Law 815 when that went through the House last year although I do recall that you did testify before the committee to that effect; and there has not been a word raised about appropriations for Hill-Burton hospital money, because I agree with the Members of the Congress, just as most of them agree with me, that if that amendment goes onto the Hill-Burton Act or such amendment as the Powell amendment goes onto the School Lunch Act or Public Law 815, it will mean the end of those programs just as it meant the end of this Federal aid for school construction program and just as it, for a time, meant the end of the Reserve program until some compromise was reached in the last Congress.

As far as I am concerned, I believe in building schools. I believe in building schools everywhere in the United States and by the proposition that you have put here you would not build any schools in the States where the colored people are mostly located, in the States of Arkansas, Florida, Kentucky, Louisiana, North Carolina, Oklahoma, Tennessee, Texas, and Virginia. You would continue to build schools in my State where we only have a few colored people.

Mr. MITCHELL. That would not be the case, Mr. Metcalf, and if I may, I would like to set the record straight with regard to some of your earlier remarks. I would like to say most respectfully that

we as an organization are in total disagreement with your position that the Supreme Court has not destroyed the separate but equal doctrine all along the way, and I think that the record supports our position because, since the school decision, there have been cases involving recreation, there have been cases involving transportation and a whole host of things in which the Court has consistently followed the doctrine that it laid down in these school cases. We feel that in our system of government all of the work ought not fall on the United States Supreme Court. Congress ought to do some of it and the executive branch ought to do some of it. All across the board from hospitals to highways to schools—and Mr. Pelly even raised the question about the library program—we have tried to get this doctrine accepted by the Congress and by executive branch of government. Of course, unfortunately, we have no voice on the floor ourselves, and there are many, many times when I am sitting up in that gallery just smoldering within because no voice is raised on the floor about these things; but I think it is very clear that the separate but equal doctrine is wrong and should not be applied in these cases.

Mr. METCALF. Let me say to you that I think the separate but equal doctrine is wrong, too, and I think that probably when this legislation has been presented to the Supreme Court on the Hill-Burton Act they will follow the precedent and logic of the other decisions; but I can see how there might be a distinction.

Mr. MITCHELL. Mr. Metcalf, you may remember that in the floor debate you pointed out that you felt that the principle we were seeking was a right one and that this was a job of the executive branch of government. You felt that the executive had the power and the authority to rule on this. I agree with you. I think they have, too, but they will not unless the Congress authorizes them to do so.

Mr. BAILEY. The Chair would like to ask for a brief interruption at this point.

Our colleague, Congressman Dixon from Utah, has a number of visitors here. Would the gentleman be kind enough to ask them to stand and be recognized?

Mr. DIXON. Would those from Utah please arise?

We are most appreciative, Mr. Chairman, for this opportunity. We have here 12 high school principals and our State director of high school education with us. We are pleased to come here to express our thanks to you, Mr. Chairman, for your valiant work for Federal aid to school construction and for the fine leadership of this subcommittee. We stand behind you on the Kelley bill or any other bill you wish to bring out. We are a little partial to the idea of reward for effort and for equalization because that is what our State plan does and it has worked out beautifully in our State; but, regardless, we are definitely for you and we want to back you up and encourage you in this fine work.

I might say that Utah, I believe, make as great a sacrifice in proportion to her wealth for schools as any State in the Union. I believe it is a fraction over 40 percent of her total income. We have only 40 districts in Utah. We have had consolidation since about 1912. We feel that through that organization, which is splendid, by consolidated effort we get almost doubly effective results from the money that is spent. We are very appreciative to you, Mr. Chairman.

Mr. BAILEY. The Chair appreciates very much the statement of the distinguished gentleman from Utah and, if he will furnish the clerk with a list of the names of the high school principals, we will have them included in the record.

Mr. DIXON. We will gladly do that. We feel honored.

Mr. BAILEY. Thank you.

Mr. GWINN. May I ask a question of the gentleman?

Mr. BAILEY. You may.

Mr. GWINN. Congressman, has your State in any of its political subdivisions, either school districts or State legislature or any other body, presented any facts to this committee stating that they wanted Federal aid in your State?

Mr. DIXON. I doubt that we have. We discussed it briefly this morning with our State supervisor. We talked, too, about a State survey that has just been completed which showed that 81 percent of the population of our State want Federal aid for construction. We should like an opportunity, I am sure, to present the results of this survey and the situation with regard to the need for school buildings that exists in our State.

Our State legislature has before it now at my request a bill which would permit the State to take advantage of any Federal legislation. I think that the bill will have no trouble in being passed.

Mr. GWINN. Your State legislature is proceeding to meet your own needs though; is it not?

Mr. DIXON. We need about \$17 million a year for school construction. The State legislature is trying to secure \$2 million for school construction. It will nowhere near keep pace with the needs of our area and of course the State has been stricken with drought. We have 19 counties stricken with drought that are in destitute condition. That intensifies the need for school buildings.

(For answer to Mr. Gwinn's question, see supplemental testimony and statement, p. 1071, part 3 of this hearing.)

Mr. BAILEY. The Chair might at this time advise the gentleman from Utah that, if he cares to submit any material for inclusion in the record just advise the clerk and have your material forwarded in a matter of a few days and it will be included in the record.

Mr. DIXON. I shall take advantage of that fine invitation.

(The information referred to will be available for reference when furnished.)

Mr. BAILEY. We will proceed with the regular hearing.

Mr. METCALF. Mr. Mitchell, I want to ask you one more question. You said that you had sometimes sat in the gallery and felt the urge to express yourself on the floor and wished that you could do so. I hope that this committee will report a school construction bill and I hope that I will have an opportunity to vote on it on the floor. I believe that the adoption of an amendment such as you propose would kill the bill. I believe that it would mean the end of any Federal aid for school construction. Still, I would like to have aid for construction for needy schools all over the United States, in the South and North and East and West. I am going to give you a chance to tell me how you would vote for this amendment under those circumstances.

If you believed, as I did, that this amendment would kill the bill, would you vote for or against the amendment?

Mr. MITCHELL. Well, Mr. Metcalf, I would vote for this amendment under any circumstances and I would do so because I believe with all my heart that teaching doctrines of racial superiority or promoting segregated schools is just as dangerous to the future of this country and to the welfare of the Nation as a whole as the teaching of the doctrine of communism or any other foreign ideology that is against the principles on which our country is built. I think history will vindicate that position.

Mr. METCALF. I think that is all, Mr. Chairman.

Mr. BAILEY. I would like at this point to remind the witness that Mr. Powell, our colleague, who testified the other day in reply to a direct question from me, stated that he would be opposed to the legislation and vote against it unless the provision he was advocating was included in the legislation. Is that the position of the witness? Would you take the same position as Mr. Powell said he would take?

Mr. MITCHELL. I would not say we are taking the same position as Mr. Powell, Mr. Chairman, because our position antedates that of Mr. Powell. As I indicated in my testimony, since 1923 we have taken the position that any Federal aid given to the States ought to carry with it a safeguard of this kind and it is just impossible to see how it would be doing a service to law and order or anything else to pass a bill which does not have this safeguard in it.

Mr. GRIFFIN. Would the chairman yield?

Then you would vote against the bill if the Powell amendment was not included. That is what you would do? You would vote against Federal aid to education if you did not get the Powell amendment?

Mr. MITCHELL. If I were privileged to vote on the floor I would certainly be unable to support a bill which did not carry with it a safeguard against abuses such as the kind that I have mentioned in our testimony.

Mr. BAILEY. Mr. Gwinn, do you have questions?

Mr. GWINN. No; thank you.

Mr. BAILEY. Mr. Frelinghuysen.

Mr. FRELINGHUYSEN. Mr. Mitchell, as usual I have been interested in your testimony. We had some discussion on this subject 2 years ago, or was it last year, when you appeared before the subcommittee.

Mr. MITCHELL. It was last year.

Mr. FRELINGHUYSEN. I am sure you know without my saying so that I am very much opposed to racial discrimination or any other kind of discrimination. I am sure you know also that I have serious reservations about accepting the recommendations which you have made to this subcommittee this morning.

As I understand it from your testimony, you feel that a general construction assistance program without any amendment such as you have suggested would constitute a major national calamity if enacted.

Mr. MITCHELL. That is correct.

Mr. FRELINGHUYSEN. Now, could you tell us why it would be a major national calamity to encourage and accelerate the building of classrooms for black, white, or any other kinds of children? How can you, except as an extreme statement which we must, of course, discount, justify such a charge?

Mr. MITCHELL. The country at this time, Mr. Frelinghuysen, has an opportunity to decide whether it is going to support the Constitu-

tion of the United States, very much in the nature of the opportunity that it had at the time the slavery question was before the Nation as a whole. That question is: Now that the Supreme Court has given a decision, are the majority of the people going to get in step with that decision and support it as the law of the land? If this bill passes without a safeguard in it, you are saying in effect to the Governor of Georgia, to the Governor of Mississippi, to all these people who have been firing colored teachers if they even think about integration or promote it, that it is O. K. You can do it and still collect money from the Federal Government. That is what constitutes the calamity, not the building of the schools but the fact that the Congress of the United States would go on record as closing its eyes to these things that are happening in certain areas of the country.

Mr. FRELINGHUYSEN. I have no intention of arguing with you, Mr. Mitchell, but I do not think that the Members of Congress are closing their eyes to anything with respect to this. It seems to me that your own testimony underlines the very nature of the practical problem. I agree with Mr. Metcalf that the amendment will almost surely kill the bill which already has enough elements of controversy without a racial discrimination issue being thrown in.

In my opinion there is no question but that if we get the proposal that you propose, and you and Mr. Powell do not even seem to agree as to how it should be incorporated into the legislation, it would automatically arouse those elements of dissatisfaction which you have spelled out here today. It seems to me that your testimony itself, which points out the unrest which does exist in certain parts of our country as the result of the Supreme Court decision, demonstrates that there is in some quarters, an unwillingness to respond, in spite of the Supreme Court decisions. Since the people in those quarters are determined not to hasten the changes it seems to me that your proposal would just aggravate the problem.

In other words, though I respect what you are intending to do and your heart is in the right place, to my mind I must say that I think you are not advancing the better interests of our colored citizens by suggesting this. I think if it is a valid argument it should be used on an existing program. To say the least, it should not be put where we are establishing a precedent and throw off balance what is a very complicated proposal anyway.

Mr. MITCHELL. Mr. Frelinghuysen, I would like the record to show that we are not simply interested in advancing the cause of colored people.

Mr. FRELINGHUYSEN. I see no other justification for it.

Mr. MITCHELL. We are interested in advancing the cause of the Nation because to us we cannot see how a nation such as ours can survive if it is going to take a schizophrenic position on these things where with the Supreme Court it says, "We will not favor segregation," and where Congress says, "We will give you money to build segregated schools." I would like to say further that it is not true that this problem is so awful that it will take a long time to solve. What is happening now is that the good people who want to obey the law are being subjected to certain controls which this bill, if it does not have a provision in it such as we recommend, will help to support. Look at our neighboring State of Virginia. In Arlington County

the local people are ready and willing to integrate but the State says, "If you integrate you cannot get any State money."

The same thing is true in Newport News. The same is true in certain areas of North Carolina. I would wager that in most of the South there are thousands of people, white people who, while they might not agree with the Supreme Court decision, nevertheless want to preserve their public schools. They want to obey the law and if doing those two things means that they have to accept desegregation they will do it; but I respectfully say, Mr. Frelinghuysen, that your view on this, particularly because you come from a Northern State, has the effect of strengthening those elements that want to destroy the Supreme Court decision in the South rather than those who want to uphold the Supreme Court decision.

Mr. FRELINGHUYSEN. We seem to be in a very fundamental disagreement. In my opinion you are going to strengthen the hands of those you want to weaken. Basically the financing of the schools nationwide is going to continue at the local level with some assistance from the State and a relatively moderate amount of assistance from the Federal Government. As a result, the withholding of Federal aid or the granting of Federal aid is not going to have decisive effect in those areas that want to continue segregation and are reluctant to comply with the Supreme Court decision.

In my opinion it would merely require a willingness to put up with the moderate sacrifice of not accepting Federal aid if it were made available under those terms. It seems to me that you will merely aggravate those local authorities which are able to react in the specific ways you mentioned in your testimony. We are not going to get anywhere by doing it.

Mr. MITCHELL. I want to say that I certainly think the Governor of Georgia would be distressed if he could not report to his constituents as he has that he got \$91 million of Federal aid.

Mr. FRELINGHUYSEN. I think because of the fact that you are underlining that there is a possibility of withholding Federal aid by Executive or legislative action; that the Southern States are going to be less anxious to support a Federal program, are less anxious to support Federal aid if it means this kind of string attached. On the contrary they are likely to oppose it. I do not see how you can argue that because of the conditions developed in the last year or so that language of this kind is more needed than before. It seems to me that as a result of the Supreme Court decisions great advances have been made toward eliminating the discrimination which has existed over a period of years. I do not see how you can say that the present situation more urgently demands an amendment of this kind than it did before.

Mr. MITCHELL. A year ago, Mr. Frelinghuysen, we had not had a Clinton, Tenn., and we had not had a Sturgis, Ky. It is interesting to note in those communities that, while those people were not going out beating the drums for upholding the Supreme Court decision, they did at a given time reach the decision that they wanted to preserve their schools and wanted to obey the law. I think they are typical of most of the South.

I say again that it is running out on people like the people of Clinton, Tenn., if we say that the persons who attack Federal aid because of this amendment are so powerful that we do not dare put the amendment in. I would also like to let the record show that it is not a ques-



tion of disagreement between Mr. Powell and myself or our organization and Mr. Powell. I have merely said that we are seeking anything in this legislation which will give the proper kind of safeguards to constitutional rights.

Mr. Powell has selected a particular approach but that does not mean that we are in a different position.

Mr. FRELINGHUYSEN. Again, I cannot help but feel that the heavy hand of the Federal Government might slow down the process of adjustment and compliance. There is a greater reluctance to recognize it in parts of our country which has taken place since the Supreme Court decisions. I certainly am going to oppose both this proposal and the bill which Mr. Powell referred to last week. I do not understand, again, why there should not be any agreement as to the best method of incorporating this proposal into legislation.

You are going back to the proposal which was the one we actually voted on last summer, but Mr. Powell apparently feels that that would not achieve his end and he is proposing meshing, in various parts of the overall bill, his proposal and substituting his bill for the one which may come out of this committee.

Mr. MITCHELL. Mr. Frelinghuysen, I hope it is clear to all the members of this subcommittee that in our effort to present this position we are trying very hard to say that we want to be reasonable. If the Powell proposal is the one that will achieve the end, then that ought to be it. If this would achieve the end, this ought to be it.

Mr. FRELINGHUYSEN. The least you could do if you want to present a case is to come up here with a proposal instead of coming with a variety of proposals and saying, "You choose." When we are more than likely to refuse them all, the least you could do is come with the one that makes the most sense instead of saying, "I have not thought about it very much."

Mr. MITCHELL. I really hope that you will not let the record show that I have implied or said that we have not thought about it very much. We have thought about it a great deal and I think, sir, very respectfully, that it is not quite sporting even to infer that I have not.

Mr. FRELINGHUYSEN. Let me ask you a specific question about Mr. Powell's proposal if you thought about it, because I would like to know what your attitude is and I would like to know whether you are speaking for your organization or giving me your ideas as an individual. Mr. Powell proposes in his bill that where there is an individual school district which is not practicing segregation that that individual school district, regardless of how the State feels about it, can be considered by the Federal Government as a State educational agency qualified to receive Federal money. Would you support a proposal which would mean the bypassing of the State whether or not it is in favor of receiving Federal money in order to allow the receipt of funds by a school district which is no longer practicing segregation?

Mr. MITCHELL. We are very clearly on record as an organization, Mr. Frelinghuysen, as saying that we think there ought to be a provision under which it is possible to give directly to a school district funds, and I know what your position is because I heard you say it the other day, but I certainly emphatically disagree with it. I certainly think that in the case of Arlington County, Va., for example, where they are ready and willing to integrate their schools and where

there is a court requirement that they integrate, there ought to be some way that the Federal Government could give them assistance, especially since the State says that it will cut off State funds if they obey the court decision.

Mr. FRELINGHUYSEN. With your knowledge of the situation I am sure you realize that by making such a statement and saying that you would advocate supporting a local school district regardless of the State's views on it that you are running into the other basic problem with which we are wrestling. That is a question of Federal control of our educational system. If we can eliminate, bypass the State altogether as a creature which can control its own schools by providing Federal money, we are certainly changing the traditional method whereby we have financed and built and controlled our own schools. I, for one, would be very reluctant, even if we should have a Powell amendment, to consider allowing such a direct short circuiting of the traditional process.

Mr. MITCHELL. One of the sad things about this program, Mr. Frelinghuysen, is that we had to fight so many cliches and one of the cliches is this thing about Federal interference. We have in most of these bills a provision which says that when the wages are paid to the workers it will conform to the provisions of the Bacon-Davis Act. I am sure there are a whole lot of people who do not like that. You have other provisions which I am sure are distasteful to people in the States. It is a myth to say that the Federal Government does not have a hand in this thing and I think it is a facade really which is very deceptive to say that this thing would run counter to such fundamental and deep-seated views about Federal interference, that the whole program would be inoperative.

Mr. FRELINGHUYSEN. I can assure you that the problem of Federal control is no cliché. It is a very real one. If we do not come up with the right kind of program there may well be the domination by the Federal Government of our school system and I for one think you have to look very cautiously and not just say this is a cliché and it does not matter what kind of legislation is enacted by the Federal Government.

If we do not have a continuation of local interest and State interest and they all turn to Washington for help and they do not care how it comes to them, it seems to me we are in for trouble.

Mr. MITCHELL. You and I know, Mr. Frelinghuysen, that last year when this measure was on the floor there were many Members who said, "If it does not have the Eisenhower provision in it I am against it," and others said, "If it has the Eisenhower provision in it I am against it," so that I wonder really whether there are a great many who have such an overriding concern for the children of this country people that they want to get this bill passed.

Mr. FRELINGHUYSEN. It does not mean we put blinders on and do not worry about what goes into the bill, if that is what you mean. I think most Members of Congress would look carefully before voting on Federal aid.

Mr. MITCHELL. I would think they would look so closely that they would see what would happen in the next 50 or 60 years.

Mr. GRIFFIN. You said you did not care what kind of Federal aid it was. I assume you meant that you did not care how it was written as to local control and as to the quantity of money.

Mr. MITCHELL. If I said I did not care I wish to retract it. I should not say I do not care. I would say that we feel that, if in the wisdom of Congress a bill comes up with the Eisenhower formula in it or the Kelley formula or the Powell formula and all the Congressmen are for it, then that is a good thing because it represents the combined wisdom of the majority of Congress.

Mr. GRIFFIN. But you have no view as to which you think is the better system, or in other words, any one of them will do and any amount of money, because, as you know, it varies in the quantity of money from the Federal Government and in the system of allocation.

Mr. MITCHELL. I have very strong personal views but it would not mean anything. Actually, the organization's position is as I have outlined it. That is, we are for Federal aid, a workable program that Congress sees fit to pass, provided it contains the proper safeguards.

Mr. GRIFFIN. You, of course, realize that many of the reasons for the opposition, as you have just stated, are because there is a difference of opinion as to how the Federal money should be given down to the States and that there is some rather honest differences of opinion about whether there is an abrogation of Federal responsibility and so forth.

Mr. MITCHELL. I am deeply aware of that, Mr. Griffin. Because I am aware of it I think it is a tragedy that persons who know there are all these underlying factors single out this amendment as the one thing that has caused the defeat of the bill when everybody in Congress knows that there are a whole lot of reasons why people do not support it.

Mr. GRIFFIN. I think that is right.

Mr. BAILEY. Would the gentleman from Delaware yield to the gentleman from Montana?

Mr. GRIFFIN. Yes.

Mr. METCALF. You have singled it out, Mr. Mitchell. In your statement that you have just made to Mr. Haskell you have said that if Congress and this committee in its wisdom in working on the bill comes up with an amount or a formula or a system of allocation you would be for it. The only thing that you would say that you would oppose it that, if the Congress in its wisdom comes up with a bill without the Powell amendment, you will be against it. I am using the Powell amendment as your amendment.

Mr. MITCHELL. Mr. Metcalf, again, to refer to what I said earlier, I cannot see how Congress can ignore the two things that are happening in the country today. One is the Supreme Court handing down decisions as it is supposed to do and the others is, sir, people whom I honestly believe represent a minority but unfortunately they are in control who are saying, "We are going to defy it."

Just how Congress can be acting properly by passing a law which ignores that situation is beyond me.

Mr. GRIFFIN. Maybe Congress recognizes that and maybe that is one of the reasons they do not want to make it a major part. We know that from a practical point of view of getting the bill through it is going to be pretty close anyway. If you throw in one more major obstacle you make it almost impossible to pass the bill.

I would like to ask you one question. It is a general question. I would really like to have your honest answer. Do you believe that prejudice, the degree of prejudice, varies with the level of education?

Mr. MITCHELL. Well, I would say that most authorities seem to think that way.

Mr. GRIFFIN. I am asking you.

Mr. MITCHELL. I was prefacing it in that way because I think that the answer, if I gave it from a strictly scientific standpoint, might be "Yes," but my personal experience is that there are many, many people who have never been to school a day in their lives who have not had any education but who nevertheless have some very fundamental concepts about the equality of man and what religious teachings demand and they are just as enlightened or just as tolerant as those who have been to school. Certainly our experience at the University of Alabama where we had that awful upheaval about one colored girl trying to get in shakes the theory that just because people have education they are likely to be more tolerant on these racial matters.

Mr. GRIFFIN. I was wondering what your views were and your views are "Yes," you do believe that the more education the less concentration of prejudice.

Mr. MITCHELL. With the provision that I said about my personal experience.

Mr. GRIFFIN. But this is what you believe. I am asking you, do you believe this?

Mr. MITCHELL. I believe that is true; yes.

Mr. GRIFFIN. This being true, whatever we in Congress or even in the States can do to raise the level of the education of our children should work to your advantage, should it not, as a representative of a minority group who seeks to eliminate prejudice?

Mr. MITCHELL. If it raises the level of education in the manner that is in keeping with our philosophy of government. Honestly and truly, I believe that to teach children in separate schools is the Nazi philosophy of government and I cannot see how the mere provision of school buildings in which children are taught theories of racial superiority or come to believe in racial superiority because they are separate, I cannot see how that is advancing the total cause of education.

Mr. GRIFFIN. You realize that there is prejudice in the North as well as in the South?

Mr. MITCHELL. I do; indeed.

Mr. GRIFFIN. Let us assume that you are for a Federal aid bill and therefore you would believe that, through a Federal aid school construction bill, we could raise the level of education. Then, how could we help but gain? Certainly in the North where there is probably prejudice—

Mr. MITCHELL. I do not concede.

Mr. GRIFFIN. Let us confine it to the North.

Mr. MITCHELL. Take the North. You noticed that we included some cases from Ohio. We included some cases from New Jersey and I think there was one from New York in which colored children were kept out of certain school areas because of a districting program which was challenged. I do not see how it is helpful to say to Englewood, N. J., which was one of those communities, that, "Of course we

are going to give you some Federal money to build schools even though you are using your school authority to segregate colored children in the manner that you have done."

Mr. GRIFFIN. I think you have made this position very clear. I am just saying that, if through Federal aid you are going to improve the educational level within the particular State in the North, then this would help your major problem of prejudice although, granted, it would not attack it in the head-on fashion in which you would like to see it attacked. I am not going to argue whether you are right or wrong, but I object to the position that you and Mr. Powell take that you are going to vote against the Federal aid to education bill if you do not get your Powell amendment. This, to me, is voting against your own better interests.

Mr. MITCHELL. I would very respectfully say that I cannot see how you could possibly reach that conclusion in view of the facts. It certainly is not helpful at all, it seems to me, if people who say they are going to defy the court and defy the law, that they are going to put teachers in jail and do all sorts of things can get money just like those who agree to obey the law. I do not follow that.

Mr. GRIFFIN. You have stated what you believe and I think there is an honest difference of opinion. I hope that you will not think our positions are unconsidered in our best judgment.

Mr. MITCHELL. I would heartily like to say for the record that we are grateful to all of the members of this subcommittee.

Mr. BAILEY. Mr. Gwinn has one question.

Mr. GWINN. Mr. Mitchell, I am trying to understand your philosophy of the power of government. Do I understand you to mean by your answers that, if the Government has the power to take from the people by taxes their property and transfer it to needy schools, it has also the power to put whatever conditions it may put in that gift?

Mr. MITCHELL. That is exactly right, Mr. Gwinn, and I not only think it has the power, but I think it has the duty and obligation to see that those funds are spent in a constitutional way.

Mr. GWINN. Then you are not in favor of irresponsible Congresses?

Mr. MITCHELL. I would not want to be in a position of passing judgment on Congress. I would merely say that I would certainly hope that all of the Members of Congress would prayerfully and thoughtfully approach this problem and vote in a constitutional way.

Mr. GWINN. I understand. If it takes that money by force from other people, it must in the very nature of the thing exercise the responsibility as to how that money is spent?

Mr. MITCHELL. I cannot see how Congress can be keeping faith with the whole country if it appropriates money from New Jersey, New York, and other places to be spent in an illegal manner in other parts of the country.

Mr. GWINN. Then would you say with me, and I would like to join you in this, that when people put out this cliché, as you say, "Federal aid without control," then they are just saying in other words, "Federal power without responsibility"?

Mr. MITCHELL. Well, I would just say Federal generosity without responsibility.

Mr. GWINN. All right.

Mr. BAILEY. Has the gentleman concluded?

Mr. GWINN. Federal generosity with other people's money and without responsibility. That is better. I thank you for the amendment.

Mr. BAILEY. The Chair is not going to ask the question of the gentleman from New York but I will always be curious to know whether he would vote for the legislation even if the Powell amendment is included.

Mr. GWINN. I can conceive of the possibility but I hardly think that is likely.

Mr. BAILEY. Before we conclude with the present witness I would like to reiterate my statement of 2 years ago when you appeared before the committee, Mr. Mitchell. I am just as convinced that I am right today as I was right in my position 2 years ago. If you recall, I said, that when the Supreme Court in 1954 and again in 1955 decided that there should be no discrimination against minority races insofar as it concerned segregation in our schools, that the Court then put your race on an equality with everybody else in this country that had been enjoying the freedom of the courts. In other words, you have equal opportunity of the courts with all of the rest of the American people regardless of what group they may be.

Now, I went ahead to say that I did not believe that it was the function of the Congress to pass legislation to punish anybody. Your proposal would punish 8 States, or 9, that you have mentioned for the simple reason that you would withhold Federal grants made to all the other States from those particular States and thereby punish them for failure to comply with the decision of the United States Supreme Court. My position is that it is the function of the Congress to pass legislation that will be beneficial to all the people and bear equally on all of the groups representing our citizenship. Now for us to comply with your request you are asking us to pick up a minority group and say to the people of the United States, "Here is a group that needs special attention over and above the fact that they have equality in the courts along with everybody else."

It is the function and business of the courts to punish, not the function and business of the Congress of the United States. We should never pass punitive legislation. If there are conditions which arise as a result of the Congress passing this legislation, you have the same rights in the court as everybody else and I do not believe you should ask more than that privilege of equality.

You have cases by the hundreds pending in the courts now and it appears to me that that is the proper procedure, not to ask the Congress to punish somebody for failure to do something or even to anticipate that they will not do something in the event the Congress passes this legislation.

My position is just the same as it was when we voted on the bill a year ago and when we held hearings 2 years ago: That I believe you can accomplish your purpose without resorting to asking the Congress to punish anybody in anticipation of their failure to obey the laws of the Congress.

You will recall that so far all we have is a Supreme Court interpretation of the Constitution. There has been no legislation passed in this field of education. If the Congress does pass one and it is not satisfactory to your group you have the freedom of the Court just as everybody else has it.

**Mr. MITCHELL.** Mr. Chairman, there are two men in your State for whom I have great respect. One of them is a former member of your State legislature, Mr. T. J. Nutter, who is a close friend of mine, and the other is you. I certainly could not differ with you more strongly than I do, but I certainly could not respect you any more than I do. I would say that it hurts deeply when you make the statement that we are seeking some special favor because that is not true and it has been picked up by the enemies of progress in the field of civil rights and paraded around as an example of what those like yourself who are liberals in those racial matters think.

I would say too that the poor and the rich alike have the right to sleep under bridges and beg for bread. In this situation we as an organization, because we are carrying most of the work in this, must assemble the funds with which to carry on this fight in the courts and we are doing it. We will continue to do it no matter whether we get this amendment or not but arrayed against us is all of the strength and power that the Southern States can assemble, as has been set forth in my testimony. They can go into the tax till. They take the money that is collected from the colored and white people alike for the purpose of fighting us in the courts. It is just impossible for me to see how you could reach the conclusion that we are asking for some special advantage when we say that Congress has the power, the duty, and the obligation to do something that will stop this condition.

**Mr. BAILEY.** You are still of the opinion that we should pass punitive legislation?

**Mr. MITCHELL.** I would not describe it as punitive legislation, Mr. Chairman. I would describe it as legislation which recognizes the constitutional principles on which this country is based.

**Mr. BAILEY.** Whose business is it to interpret the Constitution?

**Mr. MITCHELL.** The Supreme Court of the United States.

**Mr. BAILEY.** That is what they have done. Why ask any more?

**Mr. MITCHELL.** We only ask that their interpretation be upheld by the Congress and not ignored.

**Mr. BAILEY.** It is the business of the Congress to pass legislation and the business of the Supreme Court to interpret that legislation as regards its constitutionality.

**Mr. MITCHELL.** And certainly Congress does not abrogate its right to act in many, many fields regardless of what the executive branch or the Supreme Court or any other group might do. To be realistic, Mr. Bailey, and I know you are a man who can look a fact in the face, what we are confronted with here is a great majority of people of a country saying that they want Federal aid. They want some kind of assistance. On the other hand here are a small number of people who happen to be colored asking for a safeguard and the main reason why we have difficulty in getting this safeguard is because we cannot muster the strength. We do not have access to the channels of public communications and all these other things that the other groups have. The other groups are willing to let us be ground under because we represent a weaker group in the population than those who come from the defiant States. Nobody says anything about the fact that these defiant States would kill the bill.

**Mr. METCALF.** Mr. Chairman, Mr. Mitchell that is a most unfair statement, as far as the members of this committee are concerned who

have uniformly supported you and your race and your organization in civil-rights legislation, that we are discriminating against you because you are a weak group.

In my State I doubt if there are very few colored voters, and I have uniformly supported the legislation such as you have put up for civil rights whenever I felt that it was for the benefit of your people. I doubt if those 50 voters vote for me when it comes down to voting because they are so captured by the Anaconda Co. and the Montana Power Co. that they vote against me.

Still, I am going to continue to support you and your group and your race and your association on this civil-rights fight but I am not going to continue to support you when in my opinion you are taking a narrow and a biased and a prejudiced view that is going to hurt education all over the United States and, agreeing with my friend from New Jersey, even hurt the people of your own race whom you are trying to advance.

Mr. MITCHELL. I would say, Mr. Metcalf, that we are aware of your help. We are grateful for it and we hope we will always have it but we certainly cannot agree that you have given a proper construction of our motives or what is at stake here in the thing that you have just said.

Mr. METCALF. That is quite all right, but what I am quarreling with you about right now is that statement that Members of this Congress are discriminating against you and your organization because you are small and you are a minority and do not have the votes.

Mr. MITCHELL. I would say, Mr. Metcalf, that I think the record would support that statement.

Mr. METCALF. The record will not support it as far as the gentleman from Montana is concerned and as far as the members of this subcommittee are concerned, and I do not believe that the record will support it as far as any Member of Congress is concerned.

Mr. MITCHELL. I would just like to explain why I said it. I said it because I know that there are Members who will not support this bill if it does not contain certain things that they think ought to be in it and we feel that there ought to be the same kind of compulsion not to support a bill which has an open door for discrimination when it does not have this safeguard.

Mr. BAILER. Thank you, Mr. Mitchell. We will give due consideration to your position in this matter.

The Chair would like to call as the next witness Mrs. Paul Blanshard, Washington representative of the Unitarian Fellowship for Social Justice.

You may further identify yourself to the reporter and proceed.

#### STATEMENT OF MRS. PAUL BLANSHARD, WASHINGTON REPRESENTATIVE, UNITARIAN FELLOWSHIP FOR SOCIAL JUSTICE

Mrs. BLANSHARD. My name is Mrs. Paul Blanshard. I am the Washington representative of the Unitarian Fellowship for Social Justice. I appear today for the fellowship and its legislative committee of which Mrs. Richard Neuberger is chairman and includes Mrs. Paul Douglas, Ted Silvey, Ross Weston, David Williams, and myself. Our organization is a social action unit of the American Unitarian denomination.



Mr. Chairman, I would like to interpolate, if I may, from my short statements to say that I find myself in a very unhappy and very dismaying situation in appearing after Mr. Mitchell who is a very good friend of mine and taking a position that is on the other side of the fence from him.

I agree with so much that has been said by the various members of the committee that civil rights legislation and a Federal aid for school education bill must be separated.

Our organization through myself appeared before both the Senate and House committees on the civil rights legislation and I think probably this is the only legislation that is coming up before Congress in which Mr. Mitchell and I would find that we are on different sides of the fence. I feel basically that we are on the same side of the fence because he wants education for all children just as much as I want it and just as much as members of your committee want it.

The Unitarian Fellowship for Social Justice has a long history of support for Federal aid to education. Now it appears that everyone is on the bandwagon. The Gallup poll shows the country 4 to 1 in favor of Federal aid. The question today is therefore not Federal aid but how much Federal aid.

The United States Department of Education has reported that the country is 159,000 classrooms short of requirements. Nearly 8 million pupils are assigned to half-day or double-shift sessions because of overcrowding. My organization has associated itself with the Conference on Federal Aid to Education which includes about 28 national organizations. As educators are asking the Federal Government to provide from \$3.5 billion to \$6 billion a year for public school construction, the Kelley bill asks for only \$3.6 billion over a period of 6 years.

I appear today to urge the committee to report out the most generous bill possible. Why should not Congress think of the education of our children in the same grand and generous terms as it thinks of the military security of our children and our country?

For the record I wish to insert the following resolution passed at the 131st annual meeting of the American Unitarian Association.

Whereas modern education has become so complex that teachers cannot cope with the problems presented by the large number of students many are required to teach;

Whereas there is an insufficient number of qualified teachers to fill existing positions, not to mention those needed to reduce the pupil-teacher ratio;

Whereas present salaries and teaching conditions do not attract a sufficient number of young people of superior ability in comparison with those going into more highly paid occupations;

Whereas the great need for special services needed by a large percentage of all schoolchildren, but particularly by the gifted, mentally retarded, socially maladjusted, and physically handicapped, cannot now be met;

Whereas thousands of additional classrooms are required to house the greatly increased school population;

Whereas these needs have assumed emergency proportions in most parts of the country;

Whereas the meeting of all these needs will necessitate the allocation of substantially larger sums of money; and

Whereas our present prosperity may depend upon a uniformly well educated producing and consuming public for its continuation, and our national survival may depend upon adequate numbers of engineers and scientists and those trained in the humanities: Therefore, be it

Resolved, That Unitarians be urged to devote their energies in the community, State, and Nation to securing sharply increased allocations of funds for the

support of public schools, by all levels of government, even though it may result in substantially increased taxes.

That is the end of the quotation of the resolution. I want to add, Mr. Chairman, if I may, just this: That in the things that have been said this morning and in other hearings I think it has not been pointed out that the passage of a Federal aid to education bill without the Powell amendment or a comparable amendment means that we are really having democracy in education by the majority because Federal aid will mean that the majority of schools in our country--and the majority of schools do not practice segregation--will be getting Federal money and will be doing exactly what was pointed out by one of your committee members. They will be raising the educational level of our country, which will in turn help to end segregation in our country.

Mr. BAILEY. Do you have any questions?

Mr. METCALF. No, Mr. Chairman, but I am glad that the witness has followed Mr. Mitchell and has in addition to her prepared statement made that statement on her position on the so-called Powell amendment.

Thank you.

Mrs. BLANSHARD. Thank you very much.

Mr. BAILEY. Mr. Gwinn?

Mr. GWINN. Mrs. Blanshard, in your "whereas" recitals in your statement you cover a good deal of factual material about teacher shortage and classroom shortage and the crisis in schoolrooms. Would you mind telling the committee what is the source of your information about classroom shortages?

Mrs. BLANSHARD. Yes. I would say, as I said in the first part of my testimony, that much of it was received from the Federal Department of Education itself.

Mr. GWINN. From the Federal Department of Education?

Mrs. BLANSHARD. That is right.

Mr. GWINN. You are familiar with their circular No. 400 that they put out on this question of shortages?

Mrs. BLANSHARD. Is that the most recent one?

Mr. GWINN. That is the most recent one, the large one. You have seen it?

Mrs. BLANSHARD. Yes.

Mr. GWINN. Is that the basis of the information that you have?

Mrs. BLANSHARD. That is not the basis of the resolution information because this was prepared by the Unitarian Association and passed last year, in May 1956.

Mr. GWINN. Was your source of information any different than the United States Office of Education?

Mrs. BLANSHARD. It would be from the various educational organizations also. I do not think there is anybody on your committee who questions the fact that there is a terrific shortage of schoolrooms in the country.

Mr. GWINN. That is just the question we are trying to resolve. If we were as sure as many of the witnesses for this seems to be we would not have to hold these hearings possibly. That is just what I am trying to get at. Where are the facts?

Mrs. BLANSHARD. Well, you have them in the sheet before you.

Mr. GWINN. That is the sheet that you rely upon in your testimony?

Mrs. BLANSHARD. Well, I have said I rely on several things.

Mr. GWINN. Well this is the only one to which you have pointed, is that right?

Mrs. BLANSHARD. You brought that up yourself. I said I have seen it.

Mr. GWINN. You are pointing to it now. I am not. I want to know if you want to give us testimony on facts.

Mrs. BLANSHARD. Well, what I would really like to do is to rely on the facts that have been presented in the last week at the Atlantic City convention.

Mr. GWINN. Did they have facts any different from this, do you know?

Mrs. BLANSHARD. Yes, indeed, they had additional facts.

Mr. GWINN. What?

Mrs. BLANSHARD. I do not have them with me, I am sorry to say. I should have brought them for you. I will send them to you. I would be delighted to do so.

Mr. GWINN. That will not do any good for Mr. Bailey.

Mrs. BLANSHARD. I will send them to Mr. Bailey also if he would like to have them. I could say that I live in Vermont and the shortage of schoolrooms in Vermont is a very real problem.

One of the reasons that we stand for Federal aid to education is not only because we want school construction but that, by having Federal money for school construction, we will then have other moneys released for the raising of teachers' salaries and for the consolidation of schools and that is, again, one of the major problems in the country today.

Mr. GWINN. Now, this chart shows that Vermont, to accommodate excess in enrollment recorded in 1956, needs 198 classrooms and this chart says that they are completing during the year 277 classrooms.

Mrs. BLANSHARD. Well, I thought the report had not come out on 1956. I have talked with our Senators and they have not received the report from our commissioner of education in Vermont as yet.

Mr. GWINN. We have not received it yet either, have we? The only thing we have is this report to which you just referred which is No. 490 from the United States Office of Education. It is on that report that you want to rely for your recommendations.

Mrs. BLANSHARD. Not wholly. I just said not wholly but I certainly rely on it.

Mr. BAILEY. Mr. Frelinghuysen?

Mr. FRELINGHUYSEN. Mrs. Blanshard, I would just like to ask you a few simple questions about the size of the program. Is it your feeling that the Federal Government should provide assistance on perhaps a \$6 billion a year scale even if it means unbalancing the budget?

Mrs. BLANSHARD. Well, that is a difficult question to answer because when is the budget balanced and when is it not balanced? It seems to me that it is much more important to have an extremely generous appropriation for education than it is to have some of the other extremely large items that we have in our budget.

Mr. FRELINGHUYSEN. Do you mean you would cut defense spending in order to build schools?

Mrs. BLANSHARD. I think it would be possible to cut defense spending by as small an amount as \$6 billion.

Mr. FRELINGHUYSEN. You understand that the defense spending is presumably for the security of our country, and if we cut it by \$6 billion, we might leave serious gaps in our appropriation.

Mrs. BLANSHARD. I should correct that by saying not by \$6 billion but by the difference between the President's program and \$6 billion.

Mr. FRELINGHUYSEN. The President's program over a 4-year period adds only \$1,300,000,000, so that in effect it is \$6 billion additional that you are proposing to spend. Coming from Vermont, I imagine you feel strongly that there are real pressures to economize where we can and not to find other ways of spending perhaps \$6 billion a year.

Mrs. BLANSHARD. Exactly.

Mr. FRELINGHUYSEN. That brings me to the other aspect of your proposal. I imagine that you will agree with me that the problem that we are confronted with as a subcommittee and with which Congress eventually will be confronted is not just a question of how openhanded the Federal Government can be. It is not a simple question of generosity or can we afford to do this. I hope you will agree that it is also important that we take a good look at the kind of program so that the kind of program we adopt is perhaps more important than the dollars that we may appropriate or at least equally as important.

Mrs. BLANSHARD. Surely.

Mr. FRELINGHUYSEN. I wonder if you would think also that the \$6 billion program may so disrupt or reduce local effort or State effort that it would result in a complete taking over by the Federal Government of all construction of schools rather than an acceleration of what has been done at the local level.

Mr. BLANSHARD. Well, I had not thought that it would do that.

Mr. FRELINGHUYSEN. I wondered if you had thought about it because there again I think we have to proceed cautiously for the very reason that I assume you will agree we would like to continue at least as much local effort as there has been, and increase it if we can.

Mrs. BLANSHARD. That is precisely why I said in my testimony that we hoped the bill reported out would be as generous as possible.

Mr. FRELINGHUYSEN. But the generosity of the Federal Government may reduce the local effort.

Mrs. BLANSHARD. Reduce the local effort? I think not.

Mr. FRELINGHUYSEN. A \$6 billion program may mean that any community in the land would say, "You can build the schools and we will not make the effort ourselves." To my point of view that is a very good reason why we should not give serious consideration to any proposal such as you are making.

Mrs. BLANSHARD. I was saying also that the money put up by the Federal Government for school construction will release other money in the State for improvement of the training of teachers and the raising of teachers' salaries.

Mr. FRELINGHUYSEN. In effect, you are suggesting that the Federal Government step in and build the Nation's schools and that will release money for them to use for other purposes.

Mrs. BLANSHARD. I think that would be fine.

Mr. FRELINGHUYSEN. You would like to see the Federal Government take over all construction regardless of the capacity of the community?

Mrs. BLANSHARD. Not of the capacity of the community, no.

Mr. FRELINGHUYSEN. I thought you said it would be fine if the Federal Government took over the construction of the Nation's schools.

Mrs. BLANSHARD. I said that would release the money for these other things. None of the bills are going to say that the National Government should put up all the money for the construction of schools.

Mr. FRELINGHUYSEN. Actually we are building more than \$2½ billion worth of schools now. If the Federal Government puts in \$6 billion you are not thinking that there is going to be additional money spent at the local level?

Mrs. BLANSHARD. The figures are too high for me.

Mr. FRELINGHUYSEN. Those are the figures, and I am asking whether you think there will be any local spending if we spend \$6 billion when we are now building at a record rate of \$2½ billion a year?

Mrs. BLANSHARD. Which is inadequate.

Mr. FRELINGHUYSEN. But I am saying that if we more than double the present rate of spending in the form of Federal assistance, you do not think that there would be any local program of construction left, do you?

Mrs. BLANSHARD. Probably not.

Mr. FRELINGHUYSEN. Thank you.

That is all, Mr. Chairman.

Mr. HASKELL. I have just one question.

If there is no Federal-aid bill in Vermont, will the State legislature take care of your classroom building needs?

Mrs. BLANSHARD. I do not believe it would take care of all of them.

Mr. HASKELL. Could I ask why? Do they not have enough concern for the education of their own children?

Mrs. BLANSHARD. Indeed they do, but Vermont, as you know, is an extremely poor State.

Mr. HASKELL. You do not think they would set a high enough priority to build the schools for their own children?

Mrs. BLANSHARD. So far they have not.

Mr. HASKELL. You do not think they would?

Mrs. BLANSHARD. In time, just as in time I do not think we will have the problem of segregation in the schools.

Mr. HASKELL. But they will not do it in 6 years?

Mrs. BLANSHARD. Our problem in Vermont is, in a sense, not so much more actual school-room space as it is the building of consolidated schools. We have the one-room schoolhouse problem in Vermont. That is our great problem.

Mr. HASKELL. Does not Federal aid retard the consolidation of schools?

Mrs. BLANSHARD. Oh, no.

Mr. HASKELL. Do you not think that because the Federal money would become available to the districts that it would tend to leave the districts apart longer than having the necessity force them together, because we had some pretty strong testimony that the opposite would be the case.

Mrs. BLANSHARD. Indeed not because I am sure in Vermont that the schools that have not consolidated have not been consolidated largely because it would mean such an increase in taxes and the farmers in Vermont are just too poor to take on this increase in taxes.

Mr. HASKELL. The consolidation of school districts would increase the tax burden?

Mrs. BLANSHARD. I should say it would.

Mr. HASKELL. Why? Is that because they would assume their own obligations and build more schools?

Mrs. BLANCHARD. They would build less schools but would have to build new schools.

Mr. HASKELL. If they build less schools how would they increase the tax burden?

Mrs. BLANCHARD. They are building one school where they had 7, but the building of the school is a terrible financial problem. You have the one-room schoolhouses without sanitary facilities and all the things that should be in a school. They still go on. If we had Federal aid we could have more consolidated schools having the kind of equipment that schools ought to have.

Mr. GRIFFIN. I have no questions.

Mr. BAILEY. May I take this opportunity to thank the lady. I have just one comment to make. It is refreshing to the Chair to have some witness come along and speak in the interests of the boys and girls. There has been too much consideration of this legislation from the standpoint of dollars involved and profits. I am glad to get back to the witness who is thinking about the welfare of our American boys and girls.

Mrs. BLANCHARD. Thank you very much, Chairman Bailey.

I appreciate appearing before you.

Mr. BAILEY. The next witness is Mrs. William Shary of the New York State Federation of Women's Clubs.

Mrs. Shary, will you try to summarize your remarks as much as possible so that we will be saved having an afternoon session.

#### STATEMENT OF MRS. WILLIAM S. SHARY, PRESIDENT, NEW YORK STATE FEDERATION OF WOMEN'S CLUBS

Mrs. SHARY. Honorable Chairman Bailey and gentlemen of the committee, this is a summary of the report of the president of the New York State Federation of Women's Clubs, Mrs. William S. Shary, to the Subcommittee on Education and Labor, Washington, D. C., February 26, 1957.

At the 1956 Annual Convention of the New York State Federation of Women's Clubs, held in Binghamton, November 12-15, 1956, the following resolution was reaffirmed.

It reads as follows:

##### FEDERAL AID TO EDUCATION

Whereas our Senators, Representatives, and the general public are being requested to extend Federal aid to education; and

Whereas grants of money derived from Federal taxation merely disguise the cost but do not lessen the ultimate burden upon our national economy; and

Whereas Federal grants for education logically may result in Federal control of education; Now, therefore, be it

*Resolved*, That the New York State Federation of Women's Clubs in convention assembled, November 1952, affirms its beliefs in our traditional American principles and policies of State and local support and control of, and responsibility for, education, and urges the Congress to reject provisions for Federal aid to education; and be it further

*Resolved*, That a copy of this resolution be forwarded to New York State Representatives in Congress.

Presented and approved by:

THE RESOLUTIONS COMMITTEE,  
Mrs. HARRY F. STAYER, *Chairman*.

In the New York State Federation of Women's Clubs after 4 years a resolution dies and this was, of course, as you hear by the resolution, presented November 1952, and it was reaffirmed in 1950. The New York State Federation of Women's Clubs strongly opposes Federal aid for education. Our position is based on the following facts:

First, every Federal-aid program costs the people of New York State more in Federal taxes than this State gets back in Federal aid.

Second, if tax money is collected in New York and spent for schools in other States, it would enable those States to build their schools partly at our expense and thus keep their own taxes low.

Third, when other States and their localities are able to keep their own taxes low compared with the high taxes in New York State, they use the lure of those low taxes to induce business and industry to move from New York State or to locate their new plants and factories in those States instead of New York.

The taxpayers of New York State pay heavy State and local taxes to provide the best-supported schools in the Nation. They should not be required to pay still higher Federal taxes to help support schools in other States so that those States can keep their own State and local taxes lower than ours.

Here's an idea of what New York is up against:

Fifteen States do not levy a corporation income tax, and 13 of these 15 do not levy a personal income tax either. In addition, 10 other States, although they tax their own industry, will grant 5- to 15-year business-tax exemptions to firms in New York and elsewhere which move to or expand within their borders.

Now, let us see how this ties in with Federal aid.

First, if tax money is collected in New York and spent for schools in other States, it would enable those States to build their schools partly at our expense and thus keep their own taxes low.

Second, when other States and their localities are able to keep their own taxes low compared with the high taxes in New York State, they use the lure of those low taxes to induce taxpaying, jobmaking business and industry to move from New York State.

Monetary considerations aside, however, another danger is inherent in Federal aid: It could lead to Federal control.

Mr. BAILEY. Will the witness permit the Chair to interrupt at this point. That argument you just made there is one of the best arguments for educating the people in the rest of the country so that they will not pirate your industry. You ought to educate them to have different viewpoints.

Mrs. SHARY. Thank you, sir. I am sorry, sir.

Mr. BAILEY. I said that we should educate them to have a different viewpoint and they should not try to raid the industry of the State of New York by offering tax-free exemptions and other inducements such as low wages. It is all a question of education and I say you are making a good argument for Federal grants-in-aid to take care of some other sections. I was speaking more or less facetiously.

Mr. GWINN. Mr. Chairman, on that argument, the higher you educate the people the greater will their raids be, according to some testimony. They will be able to raid us more because they will be so highly educated at our expense.

Mr. BAILEY. You may proceed with your statement.

**Mrs. SHARY.** When Congress a few years back checked on whether Federal control over vocational education—in effect since the end of the First World War—had resulted in Federal control, it came up with an emphatically affirmative answer. House Document No. 620 of the 76th Congress, 8d session, put it this way:

The conclusion is inescapable that the Federal control over vocational education has been so administered under the authority of the statutes as to shape very definitely and decidedly the development of vocational education in the States and local communities. The federally supported program has to a considerable degree become a federally dictated program.

President Eisenhower has said that Federal aid for education—must be recognized as an emergency measure \* \* \* [and] the Federal grant program must terminate—

after 4 years.

In September 1950 two measures—Public Laws 815 and 874—were enacted by Congress to provide Federal aid for school construction and for school maintenance and operation in areas affected by Federal activities. At that time the House report on the construction measure stated:

Applications under the bill must be filed before July 1, 1952, and the program will be completed by the end of the fiscal year 1953.

During the debate on the measure, a Member of the House declared:

This bill is also limited to a life of 3 years, so is an emergency and temporary measure. All of this construction has to be done within a 3-year period.

That was over 6 years ago. Those programs have not been terminated, nor will they be until a bigger one comes along.

New York State is one of those which provides large sums for schools from State taxes on top of the heavy weight of local taxes.

When it was found that some of the school districts in New York State were unable to provide needed school facilities without imposing undue hardship on the taxpayers of those districts, the legislature provided emergency aid.

When it was found that local tax and debt limits restricted some school districts from providing needed facilities, the people of New York State approved a constitutional amendment to lift the lid on those limits.

Through those acts, the people of the State have demonstrated their willingness and desire to provide adequate educational opportunities for their children.

Until it is demonstrated that other States have exerted similar effort, there is no justification for a Federal-aid bill which would take millions of dollars away from the people of New York State to give to other States.

Thank you, gentlemen. It is a privilege.

**Mr. BAILEY.** The Chair would like to say that I appreciate your bringing up Public Law 815 in particular. We have expended over the last 6 years \$1,200 million of Federal money in building school buildings in those impacted school districts and so far as I know it in no way endangered the Constitution or interfered with our American way of life. That is an answer to the question on whether a general construction bill as proposed here would be dangerous to the country.

I would like to point out to the witness this fact: That if the Federal



Government had not placed \$1,200 million in construction in those 2,800 school districts you would have had approximately 80,000 more shortage of classrooms than you have in the 159,000 as reported by the Federal Commissioner of Education. In other word, what I am trying to get across to you is that the situation would have been much more serious, much more of a national disgrace had the Government not spent that \$1,200 million and the assumption is that it was matched in most instances by an equal amount from the districts so that you had possibly \$2½ billion worth of school construction that you would not otherwise have had if Public Law 815 had not been passed.

Mr. GWINN. Would the chairman permit me to note, however, that the witness did not say anything against Public Law 815 and Public Law 874. She simply used what has happened in a piece of legislation that was on its face passed to be ended in 3 years as an example that it is not ended.

Mr. BAILEY. I am probably the gentleman she referred to who stated when that legislation passed that its life would be for 3 years. I am just as sincere in stating that I would agree with the President that this proposal for Federal grants-in-aid be confined to a fixed number of years and end with a period at that time.

Mr. GWINN. Yes, but the gentleman knows that we have no power over what the next Congress will do. It will probably try to outdo the present Congress. At any rate, the lady's testimony refers to an illustration of the fact that this so-called temporary legislation and approach becomes possibly a permanent thing. That is the point you made.

Mrs. SHARY. Yes.

Mr. GWINN. So that if we say we are going to put our foot in the door this year we keep putting the foot in the door. I take it that that was the point.

Mr. BAILEY. Now the gentleman from New York is implying that if we pass general Federal grants in aid here that it would be popular with the people and popular in Congress. Public Law 815 is considered to be one of the finest pieces of legislation passed by the Congress so that the gentleman is assuming that people will like Federal grants-in-aid so well that it will be a permanent program. I do not agree. I think that we should go in and take care of the shortage and then step out again and say to the States, "It is your problem in the local school district."

Mrs. SHARY. Well, of course, in our original resolution we very strongly go into it in that way. As you gentlemen, I am sure, very well know, the federations in the various States of our great Nation are there to advise and to, shall we say, in a very small way help our women to be better acquainted with the legislation that is coming up within our State and National Governments. The resolutions that we pass at conventions and the resolutions that we reaffirm at conventions are to stimulate the thinking of our women to go home and discuss it in their localities. We are very strongly opposed to it and that was what the assembly at the convention voted. However, of course, there are times as in everything else when many of our ladies are instructed to come to conventions with the clubs' views on the subject from a certain locale. Therefore, the majority at this particular convention voted on this piece of legislation. As the State federa-

tion's president, I went in on November 15, 1956, and, of course, one of the duties of the State president and from her headquarters is to see that all the resolutions and reaffirmations that were passed at convention are sent to the people so stated in the convention.

We are indeed most appreciative to the Honorable Mr. Gwinn and to yourself, Mr. Bailey, for this opportunity because to the best of my knowledge we have never had this privilege to come before a committee. Of course, this is my first experience and I did want to take the opportunity to be here because after all when you become a president of an organization as large as ours, having approximately 25,000 women in New York State, with 5 associate memberships belonging to other State organizations which cannot be a per capita paying club, and they total in the thousands, we feel that we want to better inform our people of legislation.

Of course, there is no better way to do it and to stimulate their thinking than to pass resolutions. It now goes back to their clubs and I can assure you, having visited many of them, that the legislative chairmen in the various clubs have brought this to the attention of the members.

We in New York State have a news letter. After the kind invitation was received it was immediately sent to the clubs. Of course, they were all very pleased, which means that our Representatives, the 43 in the House and the 2 in the Senate, will hear from our ladies, because it will be my obligation to now return to them and tell them what has transpired here at the subcommittee hearing.

Mr. BAILEY. Let me remind the lady that the State group in West Virginia passed resolutions opposing Federal aid to education when it came up in Congress last year.

Mrs. SHARY. I was not aware of that.

Mr. BAILEY. I wrote back immediately to inquire on what ground they were basing that action and they said they passed a resolution at the request of the national organization despite the fact that West Virginia would benefit immensely from the legislation.

Mrs. SHARY. Pardon me, sir. May I ask a question? West Virginia was requested by the general Federation of Women's Clubs?

Mr. BAILEY. That is the information given to me by the president of the West Virginia group when they sent me the resolution.

Mrs. SHARY. And they were opposing Federal aid to education?

Mr. BAILEY. It was just a general opposition resolution such as you read there.

Mrs. SHARY. I might be wrong on it but we were of the opinion that the general federation was in favor of Federal aid to education.

Mr. BAILEY. There has never been any testimony to that effect before this committee, or I do not recall any such testimony.

Mrs. SHARY. Unfortunately, I do not have the resolutions from the general federation here.

Mr. BAILEY. You have a right to speak for your own group in New York. We appreciate your coming and expressing your viewpoint.

Mr. FRELINGHUYSEN. Mr. Chairman?

Mr. BAILEY. Yes.

Mr. FRELINGHUYSEN. I was wondering about the resolution of your own federation. First of all, I would like to say that I am sure all Members of Congress are appreciative of the interest which women take in these problems and try not to underestimate their influence.

and importance. I am a little puzzled by your resolution. This original resolution was, of course, adopted before President Eisenhower submitted a program of action to Congress. It refers to Federal aid to education. Well, of course, that is not a very useful term because we are talking about Federal aid in the construction of schools. I suppose that your objections extend to construction assistance as well as any other form of assistance which might be considered by the Federal Government?

Mrs. SHARY. Well, sir, unfortunately, our convention was held in November and the bills that your committee, gentlemen, sent to us at headquarters arrived in January. We have had no meetings of any sort to which I could bring all of the additional information.

Mr. FRELINGHUYSEN. So that in a sense, without any distortions, this is an outdated resolution even though reaffirmed as of November, because you reaffirmed it without looking into the current situation; is that right?

Mrs. SHARY. No, sir; not completely. Mrs. Harry F. Stryker, the chairman of the resolutions committee for the 1954-56 administration, had a committee, a vice chairman and seven other members of her committee. This is the procedure. They meet and they discuss the resolutions of value that should be reaffirmed after the 4-year period. If a club in the interim presents a similar resolution or has looked into the subject more thoroughly, they present a new resolution. However, at this particular convention there was no resolution forthcoming other than reaffirming the one of 1952.

Mr. FRELINGHUYSEN. That may mean that none of your affiliated units had considered the problem at all, I should think. What I am wondering about is that your criticism seems to be leveled against the possibility of grants-in-aid, that the grants themselves may lead to Federal control.

Of course, we have grants in aid for building hospitals and they have not led to control of hospitals.

We have grants in Public Laws 815 and 874, and they have not led to control of schools. But the President's program which is incorporated in both bills which the committee is presently considering includes other things besides grants-in-aid.

Do I understand your objections to be directed just against grants-in-aid? In other words, would you feel that a purchase of bonds by the Federal Government of those school districts which could otherwise only issue them at exorbitant interest rates would be an unwise, undue interference on the part of the Federal Government? Would the servicing of debt by the Federal Government of bonds issued by State school financing authorities be something which you would fear as much as grants-in-aid? Are you objecting just to one aspect of the program which we are presently considering or to the whole idea, because of what it may or may not lead to?

Mrs. SHARY. In view of the fact of the terminology of our resolution which reads "Federal aid to education," as the president I can only incorporate what our resolution has thus stated because the material that was presented for reaffirmation was presented very briefly at convention. The statistics that I have gathered here were available if there had been further discussion from the floor.

At that time I was first vice president of the New York State Federation of Women's Clubs and to the best of my knowledge that was not brought forth at the time.

Mr. FRELINGHUYSEN. In other words, there was no square discussion or thorough discussion of the nature of the shortage and the ways in which the Federal Government might help? It was just a general disapproval of a principle?

Mrs. SHARY. That is right. Unfortunately, at the 1950 November convention we had 8 resolutions, 4 brand new resolutions that had never come before the assembled group before and 4 reaffirmations. Technically, there were 6 reaffirmations, but 2 were withdrawn because of limited time for discussion purposes. There were many other items of business that had to come before the assembled group and that was the way the committee handled it.

That was entirely up to the committee, of which Mrs. Stryker was chairman, and the president of the State federation.

Mr. FRELINGHUYSEN. Thank you very much, Mrs. Shary.

Mr. BAILEY. Thank you, Mrs. Shary, for your appearance. I want you to feel free, when your group has problems that interest the Congress as it does in this particular case, to feel perfectly free to ask for an opportunity to be heard. That is the only way we can write the proper kind of legislation when we get the viewpoints of all the interested people.

Mrs. SHARY. Thank you so much.

Honorable Mr. Bailey, we have prepared a little more in detail a report which we would be very pleased to have incorporated with the summary.

Mr. BAILEY. With no objection, it will be included in the record following your formal presentation.

(The document referred to follows:)

STATEMENT OF MRS. WILLIAM S. SHARY, PRESIDENT, NEW YORK STATE FEDERATION OF WOMEN'S CLUBS

Members of the subcommittee, at the 1950 Annual Convention of the New York State Federation of Women's Clubs, held in Binghamton, November 12-15, the following resolution was reaffirmed.

It reads as follows:

"FEDERAL AID TO EDUCATION

"Whereas our Senators, Representatives, and the general public are being requested to extend Federal aid to education; and

"Whereas grants of money derived from Federal taxation merely disguise the cost but do not lessen the ultimate burden upon our national economy; and

"Whereas Federal grants for education logically may result in Federal control of education; Now, therefore, be it

*Resolved*, That the New York State Federation of Women's Clubs in convention assembled, November 1952, affirms its beliefs in our traditional American principles and policies of State and local support and control of, and responsibility for, education, and urges the Congress to reject provisions for Federal aid for education; and be it further

*Resolved*, That a copy of this resolution be forwarded to New York State Representatives in Congress."

Presented and approved by the resolutions committee, Mrs. Harry F. Stryker, chairman.

The New York State Federation of Women's Clubs strongly opposes Federal aid for education. Our position is based on the following facts:

First, every Federal aid program costs the people of New York State more in Federal taxes than this State gets back in Federal aid.

Second, if tax money is collected in New York and spent for schools in other States, it would enable those States to build their schools partly at our expense and thus keep their own taxes low.

Third, when other States and their localities are able to keep their own taxes low compared with the high taxes in New York State, they use the lure of those low taxes to induce business and industry to move from New York State or to locate their new plants and factories in those States instead of New York.

Taxes in New York State on individuals and businesses, homes, factories, and farms are high because the taxpayers in our State support their schools and other governmental services at high levels. Taxes can be kept lower in any State simply by not supporting schools and other governmental services at the levels maintained in New York.

The taxpayers of New York State pay heavy State and local taxes to provide the best supported schools in the Nation. They should not be required to pay still higher Federal taxes to help support schools in other States so that those States can keep their own State and local taxes lower than ours.

The Eastern Regional Conference on Education which met in Albany on July 14, 1935, agreed on the following statements:

"Aid should be kept on local and State level."

"There is no need for Federal aid (other than that presently received in federally affected areas) in New York State."

"New York State can take care of its own financial needs and does not need Federal aid; what other States need, we cannot say."

A study Committee on Federal Responsibility in the Field of Education, established in 1934 by the Commission on Intergovernmental Relations to determine whether or not the States needed Federal aid for education, reported:

"We have not been able to find a State which cannot afford to make more money available to its schools or which is economically unable to support an adequate school system."

The Commission on Intergovernmental Relations (Kestnbaum Commission) appointed by President Eisenhower in 1953 reported to the President in June 1955:

"The Commission does not recommend a general program of Federal financial assistance to elementary and secondary education, believing that the States have the capacity to meet their educational requirements."

Only last May, Attorney General Jacob K. Javits, now United States Senator, warned jobholders and businessmen that "New York is in the hottest kind of competition with the 47 other States" to attract new industry and to keep present industry from moving away.

Much of this "hottest kind of competition" for industrial payrolls comes from States which offer New York companies tax bonuses as inducements to relocate.

Here's an idea of what New York is up against:

Fifteen States do not levy a corporation income tax, and 18 of these 15 don't levy a personal income tax either. In addition, 18 other States, although they tax their own industry, will grant 5-to-15 year business-tax exemptions to firms in New York and elsewhere which move to or expand within their borders.

Now, let's see how this ties in with Federal aid.

First, if tax money is collected in New York and spent for schools in other States, it would enable those States to build their schools partly at our expense and thus keep their own taxes low.

Second, when other States and their localities are able to keep their own taxes low compared with the high taxes in New York State, they use the lure of those low taxes to induce taxpaying, job-making business and industry to move from New York State.

Monetary considerations aside, however, another danger is inherent in Federal aid: It could lead to Federal control.

When Congress a few years back checked on whether Federal aid to vocational education (in effect since the end of the First World War) has resulted in Federal control, it came up with an emphatically affirmative answer. House Document No. 529 of the 75th Congress, 3d session, put it this way:

"The conclusion is inescapable that the Federal control over vocational education has been so administered under the authority of the statutes as to shape very definitely and decidedly the development of vocational education in the States and local communities. The federally supported program has to a considerable degree become a federally dictated program."

"If education ought to be financed and controlled by a central authority, then why should the people of the world look to the United States for guidance? This is the regular practice in totalitarian countries \* \* \*."

President Eisenhower has said that Federal aid for education "must be recognized as an emergency measure \* \* \* (and) the Federal-grant program must terminate" after 4 years.

In September 1950 two measures--Public Laws 815 and 874--were enacted by Congress to provide Federal aid for school construction and for school maintenance and operation in areas affected by Federal activities. At that time the House report on the construction measure stated: "Applications under the bill must be filed before July 1, 1952, and the program will be completed by the end of the fiscal year 1953." During the debate on the measure, a Member of the House declared: "This bill is also limited to a life of 3 years, so is an emergency and temporary measure. All of this construction has to be done within a 3-year period."

That was over 6 years ago. Those programs have not been terminated, nor will they be until a bigger one comes along.

State education commissioner, James E. Allen, recognized this in 1951 when, in answer to a request from the United States Office of Education, he wrote:

"Statewide summaries of detailed statistical information \* \* \* would be without practical value in solving the school building problems of New York State. They do not reveal the conditions existing in the individual districts, nor are they helpful in locating and defining our school building problems. Studies already completed by the (Moore) commission show that our building needs are confined to relatively few areas and that most of the districts in these areas are financially able to meet their foreseeable needs."

Dr. Allen's statement is as true today as it was in 1951. And it is as true of every other State as it is of New York. Statewide summaries of classroom needs are without practical value. Nevertheless, statewide summaries are the data on which the administration bases its current estimate of a 150,000 classroom shortage over the country.

Do other States need help from New York? The record shows that there is no evidence before Congress that the school-building needs of other States cannot be met by State and local effort. It is an accepted fact that additional school buildings are needed to provide for an increasing number of pupils in many school districts throughout the Nation.

It does not follow, however, that the financing of additional building needs is beyond the abilities of the States and localities in which those districts are located. The fact that additional spending for schools is needed does not justify Federal aid. That aid can be justified only if the States and localities are unable to provide those needs.

New York State is one of those which provides large sums for schools from State taxes on top of the heavy weight of local taxes.

When it was found that some of the school districts in New York State were unable to provide needed school facilities without imposing undue hardship on the taxpayers of those districts, the legislature provided emergency aid.

When it was found that local tax and debt limits restricted some school districts from providing needed facilities, the people of New York State approved a constitutional amendment to lift the lid on those limits.

Through those acts, the people of the State have demonstrated their willingness and desire to provide adequate educational opportunities for their children.

Until it is demonstrated that other States have exerted similar effort, there is no justification for a Federal-aid bill which would take millions of dollars away from the people of New York State to give to other States.

Thank you, gentlemen, for this opportunity and privilege to come before your subcommittee.

Mrs. SHART. Thank you very much.

Mr. BAILEY. The committee will stand in recess until 10 o'clock tomorrow morning.

(Whereupon, at 12:25 p. m., the subcommittee recessed, to reconvene at 10 a. m. on Wednesday, February 27, 1956.)

## FEDERAL AID TO STATES FOR SCHOOL CONSTRUCTION

WEDNESDAY, FEBRUARY 27, 1957

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON GENERAL EDUCATION  
OF THE COMMITTEE ON EDUCATION AND LABOR,  
*Washington, D. C.*

The subcommittee met at 10:10 a. m., pursuant to recess, in room 420, Old House Office Building, Hon. Cleveland M. Bailey (chairman of the subcommittee) presiding.

Present: Representatives Bailey, Metcalf, Udall, Frelinghuysen, and Haskell.

Also present: Representative Griffin.

Staff members present: Fred G. Hussey, chief clerk; John O. Graham, minority clerk; James M. Brewbaker, general counsel; Kennedy W. Ward, assistant general counsel; and Russell C. Derrickson, chief investigator.

Mr. BAILEY. The subcommittee will be in order. The clerk will call the roll to ascertain if we have a quorum present.

Mr. HUSSEY. Mr. Bailey?

Mr. BAILEY. Here.

Mr. HUSSEY. Mr. Kelley?

(No response.)

Mr. HUSSEY. Mr. Metcalf?

Mr. METCALF. Here.

Mr. HUSSEY. Mr. Udall?

Mr. UDALL. Here.

Mr. HUSSEY. Mr. Gwinn?

(No response.)

Mr. HUSSEY. Mr. Frelinghuysen?

(No response.)

Mr. HUSSEY. Mr. Haskell?

(No response.)

Mr. BAILEY. Mr. Frelinghuysen will be present, and let me say in explanation that Mr. Gwinn has had a death in the family and will not be present this morning at the committee meeting. Mr. Kelley's son was stricken suddenly ill and there is a question as to whether he will be here.

I am sure that we will have the quorum necessary to transact business.

You may report Mr. Frelinghuysen as being present.

The Chair recognizes the clerk to offer certain materials for insertion in the record at this point.

Mr. HUSSEY. Mr. Chairman, we have statements from the Delta Kappa Gamma Society International, Charleston, W. Va.; Massachusetts Federation of Teachers, Boston, Mass.; Sacramento Teachers Federation, Sacramento, Calif.; a telegram from the education committee, Chamber of Commerce of Greater Lansing, Mich.; testimony of Joseph W. Cavantaio for the Illinois State Chamber of Commerce.

Mr. BAILEY. The Chair at this time desires to read into the record a brief letter. This is from Oscar V. Rose, superintendent, Midwest City, Okla., schools.

DEAR MR. BAILEY: There has been considerable testimony presented to your subcommittee concerning the dangers of Federal control in connection with Federal financial aid for public school construction. Of course, "opinions" are permissible in our democratic processes, but are valuable only when supported by experience.

During the past 7 years the Federal Government has appropriated \$727,400,000 under Public Law 815. Three thousand three hundred and six school construction projects have either been finished or are now under construction, costing a total of more than \$1 billion to be financed from these appropriations and local applicant funds. The more than 33,750 classrooms thus constructed are providing housing for almost a million school children.

Last Sunday afternoon, February 17, over 300 school superintendents from the school districts receiving Federal assistance under Public Law 815 met in annual meeting in connection with the AASA Convention. Considerable time was used in discussing the "Federal control" charge without a single school administrator evidencing any support for it. Without exception this body of men who have experienced recent Federal assistance for school construction expressed themselves as believing such a charge was unfounded and that they had experienced no controls in connection with Public Law 815. This letter is written in the hopes that it may help to alleviate the fear of Federal control expressed by many who have not had direct experience in this connection.

(Signed) OSCAR V. ROSE.

If there is no objection, this will be included along with the other requests for insertion in the record at this time.

(The documents referred to follow:)

MIDWEST CITY SCHOOLS,  
Midwest City, Okla., February 23, 1951.

HON. CLEVELAND M. BAILEY,  
Chairman, House Education Subcommittee,  
House Office Building, Washington, D. O.

DEAR MR. BAILEY: There has been considerable testimony presented to your subcommittee concerning the dangers of Federal control in connection with Federal financial aid for public school construction. Of course, "opinions" are permissible in our democratic processes, but are valuable only when supported by experience.

During the past 7 years the Federal Government has appropriated \$727,400,000 under Public Law 815. Three thousand three hundred and six school construction projects have either been finished or are now under construction, costing a total of more than \$1 billion to be financed from these appropriations and local applicant funds. The more than 33,750 classrooms thus constructed are providing housing for almost a million school children.

Last Sunday afternoon, February 17, over 300 school superintendents from the school districts receiving Federal assistance under Public Law 815 met in annual meeting in connection with the AASA Convention. Considerable time was used in discussing the "Federal control" charge without a single school administrator evidencing any support for it. Without exception this body of men who have experienced recent Federal assistance for school construction expressed themselves as believing such a charge was unfounded and that they had experienced no controls in connection with Public Law 815. This letter is written in the hopes that it may help to alleviate the fear of Federal control expressed by many who have not had direct experience in this connection.

Sincerely,

OSCAR V. ROSE.



THE DELTA KAPPA GAMMA SOCIETY, INTERNATIONAL,  
Charleston, W. Va., February 22, 1957.

HON. CLEVELAND M. BAILEY,  
House of Representatives, Washington, D. O.

DEAR MR. BAILEY: We know you are doing everything in your power to move the school-building-construction legislation. This is just to tell you that 57,000 members of Delta Kappa Gamma Society International appreciate your efforts and pledge their support to you in this important legislation.

Please convey these sentiments to the members of your committee. We join with you in urging immediate consideration and support of legislation to help meet the critical needs of education.

With kind personal regards, I am

Sincerely yours,

CORMA A. MOWREY,  
Chairman, Legislative Committee.

MASSACHUSETTS FEDERATION OF TEACHERS,  
AMERICAN FEDERATION OF TEACHERS,  
Boston, Mass., February 18, 1957.

Representative CLEVELAND BAILEY,  
Chairman, Subcommittee on Education,  
House of Representatives, Washington, D. O.

DEAR CONGRESSMAN BAILEY: The Massachusetts Federation of Teachers in its recent meeting instructed me to send a letter to you urging the passage of a Federal aid for school construction bill during this session of the Congress. The enactment of such long-overdue legislation is now a national necessity.

The crisis facing American education is becoming increasingly acute. Crowded classroom conditions, obsolete buildings, inadequate and unqualified teachers are denying our children and the future citizens of the Nation a proper educational background so vitally important to the maintenance of democratic institutions. The children suffer on account of restricted taxing formulas and limited bonding abilities in several areas. It is becoming increasingly apparent that school money from the Federal Government is the only way of spreading school costs among all the citizens. We believe that education is now a legitimate national responsibility.

It is encouraging to learn that both the administration and the Congress are determined to pass Federal aid legislation this year. Certainly some final compromise bill can be passed from the several ones that have been filed in both Houses.

We appreciate your deep interest and concern of the importance of the passage of Federal aid for school construction along with those evidenced by numerous civic, labor, and professional groups throughout the country. The hour has arrived for swift, intelligent action and passage of Federal aid legislation. We urge your vital support in this session of the Congress.

Very truly yours,

THEODORE E. KYRIOS,  
Legislative Chairman.

SACRAMENTO TEACHERS FEDERATION,  
LOCAL 31, AMERICAN FEDERATION OF TEACHERS,  
Sacramento, Calif., February 18, 1957.

HON. CLEVELAND M. BAILEY,  
Chairman, Subcommittee on Education,  
House of Representatives, Washington, D. O.

DEAR SIR: This organization begs your committee to count us among the earnest supporters of Federal aid for school construction.

We are not committed to any particular bill, nor to any particular details. The situation in California is difficult rather than impossible. It is our understanding, however, that Federal aid for school construction in many States is genuinely necessary for the good of the country.

Respectfully yours,

ALLAN RAMSEY, President.

LANSING, MICH., February 25, 1957.

HON. CLEVELAND M. BAILEY,  
Chairman, Subcommittee on General Education,  
Committee on Education and Labor,  
House Office Building, Washington, D. C.

The Chamber of Commerce of Greater Lansing is opposed to Federal aid to education in the forms presently being considered for the following reasons:

- (1) Federal aid means Federal control.
  - (2) Federal aid will mean less school buildings per dollar cost because of increased costs for administration.
  - (3) Recent surveys indicate classroom construction generally exceeds new classroom needs.
  - (4) The area of Greater Lansing has taken care of its classroom needs and is keeping pace with the needs as they arise.
  - (5) Under proposed Federal aid Michigan taxpayers will send \$11 to Washington for each \$9 returned to the State of Michigan for school construction.
- Our suggestion for aiding distressed school areas in case of proven need would be favorable long-term direct loans at low interest rates.

EDUCATION COMMITTEE, CHAMBER OF  
COMMERCE OF GREATER LANSING.

#### TESTIMONY OF JOSEPH W. CAVATAIO FOR THE ILLINOIS STATE CHAMBER OF COMMERCE

My name is Joseph W. Cavataio. I am president of the Illinois Electric Works, Inc., which is located in East St. Louis, Ill.

I appear before you as chairman of the subcommittee on school construction economies of the education committee of the Illinois State Chamber of Commerce. I am also a member of the board of directors of the State chamber, which is a statewide organization of approximately 14,500 businessmen from all types of enterprises in 387 Illinois communities.

The education committee of the Illinois State Chamber of Commerce is composed of 80 businessmen including a small number of school superintendents. Its membership comes from all parts of the State. The committee is concerned with all problems in education. Special attention has been given recently to teacher recruitment and salaries, building construction, school finance, State aid, and Federal aid to education.

In appearing before you, I do so with full realization that you have many severe problems to consider and many difficult decisions to make. I trust that what I have to say will be of some help as you arrive at your decisions. You already have in your records a great quantity of evidence, both old and new, bearing upon the problem of Federal aid. I do not intend to spend time in repeating what has already been said.

#### POSITION OF ILLINOIS STATE CHAMBER

The Illinois State Chamber of Commerce is opposed to Federal aid to education primarily because we think that States and localities should be and are able to look after their own problems. We are aware, however, that there are definite difficulties in some areas, and we are conscious of the fact that we have no right to oppose Federal aid unless we have something constructive to offer in its place. Therefore, I would like among other things to give you a picture of our problems in Illinois and of what we are doing to meet them.

It is our opinion that every State in the Union has sufficient resources to finance education for its children, if the people are willing to develop a local and State program accordingly. Actually, this was also the conclusion of the White House Conference on Education, in spite of its ultimate recommendation that Federal aid for school construction be provided. Some of the difficulty in State finances can be traced directly to the Federal Government. Of each tax dollar collected in 1940, State and local governments took 60.4 cents. By 1956, however, the State and local share had been drastically reduced to 27.7 cents with the Federal Government's share soaring to 72.3 cents. The amount of State and local taxes has dropped from 11.3 percent to 7.3 percent of the national income between the 1930's and 1954. During the same period the Federal tax burden rose from 6.8 percent of the national income to 20.6 percent in 1954.

In reality, therefore, State and local governments are better able to handle financing of education than is the Federal Government. Assumption of more responsibilities by the Federal Government merely serves ultimately to increase the tax burden. Should the Federal Government move into the field of financing public education, and certainly the various measures under consideration would be a giant step in that direction, there is real danger of further excessive Federal taxation. Education is the largest item of public expenditure except for national defense. Furthermore, it is growing more rapidly than any other public expenditure.

The relationship of Federal allotment and State matching procedure in the administration's bill is interesting. Seven States including Illinois would have to match \$2 for every Federal dollar. Twelve States would have to match only \$1 for every \$2 of Federal aid. If a State does not match accordingly, it will not receive the Federal allotment. Of course, it will still have to bear its regular share of the tax burden to meet the \$325 million annual Federal allocation.

#### THE ILLINOIS STORY

These facts are not new to you. But they are items of particular interest to us in Illinois. In order for you to understand a little better the situation in Illinois, let me give you a few salient facts. First of all, since 1950 our public-school enrollments have risen sharply from 1,181,529 pupils to at least 1,672,742 this year, or an increase of 38 percent. In the 1949-51 biennium State aid for public-school purposes totaled \$124,247,752. In the 1955-57 biennium this budget was \$231 million, or an increase of 86 percent. It has been estimated that \$70 million more will be needed for 1957-59, even without a change in the formula used to compute State aid. This increase poses the possibility that new taxes will have to be provided in some form by the people of Illinois. The number of autonomous local school districts has been reduced from 11,035 to slightly fewer than 2,000 between 1914 and 1950. Illinois school districts have spent over \$800 million for new school grounds and buildings since 1950, with the annual rate now running well over \$150 million. Nine out of every 10 bond-issue elections are being approved by the voters.

Certainly there is a need for new classrooms in Illinois. The very fact that we are spending over \$150 million annually shows this. We are anticipating annual pupil increases of 50,000 to 60,000 each year in the near future. This alone, without the replacement of wornout buildings or unsatisfactory rooms, means a need for about 2,000 new classrooms annually. Most of our districts are able to meet their own particular demand, if the voters are willing to extend themselves accordingly. There are about 60 districts, however, which have already or are about to reach the end of their bonding power. What, then, is Illinois' plan?

#### POSSIBLE FUTURE ACTION IN ILLINOIS

The Illinois School Problems Commission No. 4 (composed of 5 senators, 5 representatives, 5 citizens appointed by the Governor) is currently making a series of recommendations in all phases of school financing for Illinois. It has released the latest statistics on enrollment and attendance, which were compiled by them in cooperation with the State department of public instruction. It reported fall 1956 enrollment as 1,672,742 with a prospect of 1,708,243 pupils in 1958. It has recommended changes in the formulas for computing transportation and special education aid. It will also recommend the necessary appropriations for State aid in 1957-59.

Of particular interest to those who are discussing Federal aid is the fact that the problems commission has recommended the creation of a school building construction revolving fund in Illinois of \$14 million for the biennium. This money is to be available on a loan basis to those districts which have, or very nearly have, exhausted their bonding power within the provisions of Illinois law but which have a demonstrated need for additional classrooms to meet expanding enrollments. The commission has made this appropriation recommendation on the basis of a study which revealed the need for about 875 more classrooms during the biennium in those districts which are unable to finance further construction. (In contrast, the administration bill would force Illinois to expend about \$46 million for each of 4 years in matching money and Federal income taxes, and the Kelley bill would require over \$75 million each year for the next 6 years.)

This does not have to be the end of our efforts in Illinois. If necessary, other measures can be taken. The constitutional limitation for school bonded in-

debtiness in Illinois is 5 percent of the assessed valuation for each school district. It is conceivable that this limitation could be taken under consideration for upward revision; there is no such proposal being made at this time. However, the State chamber has recommended a very serious and thorough examination of the assessment situation. I need not go into detail on our proposals, but suffice it to say that all of our school districts could profit from better assessing procedures, more thorough and equitable assessing. For example, we know of 1 small school district which about 2 years ago had an assessed valuation of some \$34 million. A citizen survey found more than \$2 million which should have been on the tax books but was not. Still another district with an assessed valuation 3 years ago of \$10 million added \$3 million by insisting that tax books be brought up to date and be accurate. These are just two examples among many. Even after following through Illinois' assessment procedure and applying our county "multipliers," we can cite instances where the end result of our assessments is a 50-percent difference! Some assessments being at 40 percent of full, fair cash value and others at 60 percent. Some districts have a nearly complete coverage of automobiles in the personal property assessments whereas other districts include only a very small fraction of them.

I will venture the opinion, without any documentation possible at this time, that practically every State in this Union has some of these same difficulties. One State which would receive a considerable sum in Federal aid has a debt limitation of 2 percent. Another State recently has been assessed at only 20 percent of full, fair cash value. Instead of talking about Federal aid to education we should be insisting we, think, that each State and each district should undertake a thorough examination and housecleaning to see that all property is on the books and assessed properly, that State limitations where they exist are reviewed to see if they are proper. Were this done, it is my opinion that there would be no need even to discuss Federal aid for school construction.

In this same connection let me make another point. You will remember that I stated earlier that the number of school districts in Illinois has been reduced to fewer than 2,000. In 5 counties annexations and combinations of school territory have been carried to the point where we have 1 countywide school district. Yet in some counties even outside of the Chicago area, we have more than 50 districts. Each individual district is limited to the 5-percent bonded debt limitation. We find that, although a given district may be somewhat strapped in terms of further money available for construction, its neighboring districts still have considerable leeway. The research division of the Illinois State chamber has analyzed bond limitations on a countywide basis finding that if we were to enlarge our tax area for school construction in Illinois, say to a countywide unit, we would have enough bonding power to double the number of classrooms in the State of Illinois immediately! And under these circumstances only 1 county would have a bonded debt of as much as 4 percent. Granted that this practice of "broadening the base" might be hard to sell to some of our citizens, still this is exactly the direction we have been taking during the last 12 years as we have reduced our number of districts from 11,955 to fewer than 2,000.

I realize that I have been speaking of and about Illinois. Yet again I am willing to venture the statement that many other States could improve upon their situation if they would strongly encourage more school district annexations and reorganization.

#### IN SUMMARY

This, then, is the picture as we see it in Illinois. The Illinois State Chamber of Commerce is unalterably opposed to the passage of these bills which proposed Federal aid for school building construction. The chamber believes that all States can, if they will, meet their own problems. It believes that the responsibility lies within the individual States and their school districts, and should so remain.

The Illinois State chamber believes that the conclusion reached 2 years ago by the committee on Federal responsibility in the field of education is still true: "Fiscal inability to finance under existing laws does not prove real fiscal inability of the States to finance their school building needs \* \* \*. No State has a demonstrated financial incapacity to build the schools it will need during the next 5 years."

May I conclude by saying this: Illinois plans and is able to take care of its own problems. If, in addition, State-imposed restrictions were eased, original

assessments for tax purposes were more properly made and better equalized, and all school districts were consolidated into more efficient units, all local school systems would be able to construct the classrooms they need. They would not even need assistance from the State of Illinois.

Thank you very much for offering me the opportunity to appear before you to present the views of the Illinois State Chamber of Commerce.

Mr. BAILEY. The Chair would also like to offer for inclusion in the record at this time an editorial taken from the February 26 issue of the New York Times under the caption, "Is Your Child Surplus?"

If there is no objection, we will include that.

(The editorial referred to follows:)

[Editorial from New York Times, February 26, 1957]

### IS YOUR CHILD SURPLUS?

In the past 5 years the number of pupils in the Nation's public schools has increased by 5.5 million, and in the next 5 years it will jump by another 6 million. This extraordinary rise in school population, combined with a completely inadequate rate of school building, means that this year—right now—7 or 8 percent of the total number of enrolled school children in this country may be considered surplus in the sense that there are not facilities properly to take care of them.

The latest report of the United States Office of Education estimates the classroom shortage at 159,000, and the number of "excess" students at about 2.3 out of a total of 31.5 million. This excess is taken care of, so to speak, by various expedients such as half-day or two-shift sessions, makeshift accommodations or, most simply, by excessive overcrowding. While satisfactory physical conditions certainly cannot guarantee a good education, the absence of such facilities is pretty certain to prevent a child in the America of today from getting a good education.

As President Eisenhower said in his message on school building earlier this year, "solutions to all of the other problem in education will be empty achievements indeed if good teaching is not available"; and everyone knows that, by and large, teachers are disgracefully underpaid and the teaching profession has yet to achieve the status in public esteem and support that is its due. Yet of all the many problems facing education in the public elementary and secondary schools today perhaps the most critical, and certainly the one where the Federal Government can be of most immediate and effective help, is the classroom shortage.

Considering the disproportion between the enormous rise in national income during the last two decades and the relatively small rise in expenditures on the public schools, the country has to become as accustomed to thinking big in terms of schools and education generally as it already is doing in terms of highways and national defense. Surely there is no defense more important to a democracy than an educated and enlightened citizenry. We would like to see Congress produce action on a school bill as early in this session as possible.

Mr. BAILEY. Our first witness this morning is a representative of the National Economic Council, Mr. Merwin K. Hart. Mr. Hart is well known in the business world.

You may further identify yourself to the reporter and proceed with your testimony, Mr. Hart.

### STATEMENT OF MERWIN K. HART, PRESIDENT, NATIONAL ECONOMIC COUNCIL

Mr. HART. Thank you, Mr. Chairman.

I want to express my appreciation of being heard by this committee at this time. I am president of the National Economic Council, an organization with members in all States and which was originally organized as the New York State Economic Council in 1930. We changed the name to the National Economic Council in 1943 because

by that time we had members in all States and were appearing down here before these committees.

Some of you gentlemen, I believe, are familiar with our Economic Council letter which appears semimonthly and goes to all Members of both Houses. I would be glad to answer any other questions or identify myself further if the Chair believes that is advisable.

Mr. BAILEY. We will ask whatever questions are necessary at the conclusion of your presentation.

Mr. HART. Mr. Chairman, the National Economic Council is opposed to these or any other bills seeking to provide Federal aid to education.

Our reasons are:

First, because their enactment would be an unwarranted interference with the rights and duties of the States—in other words with States' rights.

H. R. 8976 provides in section 8 that:

In the administration of this Act, no department, agency, officer or employee of the United States shall exercise any direction, supervision or control over the personnel, curriculum or program of instruction of any school or school system.

Now, it is impossible to read the subsequent 40 pages of the bill without realizing that section 8 is a complete fake. For in those 40 pages are provisions that would tie the public schools of the Nation hand and foot to the Federal Government in Washington. Local control of public education would disappear.

As an example, take section 104. It is replete with detailed requirements that must meet with the approval of the United States Commissioner of Education. Certainly it would be stupid not to realize that in the power to approve is implicit the power to direct and control.

Mr. BAILEY. Let me ask the witness a question at that point. In the material to be approved there is a plan submitted by the several States and it is their plan and they will administer it. There is no Government administration beyond the approval of that plan?

Mr. HART. But when you review, Mr. Chairman, the details of this plan, all of the things to which the several States have to conform or else, why, it is impossible for us to escape the conclusion that inevitably, sooner or later, and probably almost immediately, there will be Federal control.

Mr. FRELINGHUYSEN. Federal control of what, Mr. Hart?

Mr. HART. Federal control of education.

Mr. FRELINGHUYSEN. How do you get Federal control, say, of the curriculum because you are concerning yourself with the way the money is spent for building a classroom?

Mr. HART. Well, the power to say where the money shall go is the power to control.

Mr. FRELINGHUYSEN. It is the power to control where the money is to go perhaps but how does that control the curriculum?

Mr. HART. To control the administration.

Mr. FRELINGHUYSEN. We hear this argument so much and I do not see how it has any validity at all. My hometown of Morristown in New Jersey got \$900,000 in Federal funds under the Hill-Burton Act. The Federal Government has not controlled, nor did it attempt to control the administration of the hospital when it was being built or

since it has been built. The money made it easier for my community to build its hospital. Perhaps you could object to the fact that there was such a program but I do not see how you can possibly argue that there was any danger of control of the hospital because Federal money was used in its construction.

Mr. HART. Congressman, my statement is only 3½ pages, and I partially answer some of that in what remains.

Mr. FRELINOHUYSEN. I will be glad to wait. Because the chairman had asked you the question and I do not understand the argument myself, I asked you my question.

Mr. HART. This is why so many of the school people and so many of the Socialist-minded people are so insistent upon Federal aid to education. They clearly want Federal control of education, because it is a necessary step toward a world Socialist government.

I do not mean, Mr. Chairman, that everybody who favors Federal control has this idea, but I think those who thought out the plan and who are the most aggressive in Washington before this committee and before the Senate have this in mind exactly.

Second, we are opposed to these bills because they are clearly unnecessary.

Several rather reckless statements have been made by different officials as to the shortage of schoolrooms. A recent statement by the Chamber of Commerce of the United States shows that 470,000 classrooms have been built in the last 10 years, quite a number; that there are only 170,000 classrooms in the present shortage; that in the past 10 years the shortage has been steadily reduced—by the States and localities alone. The chamber states that if the claim of the National Education Association that 840,000 of the Nation's public-school children are going to school on a half-day basis because of schoolroom shortages is correct, that can hardly be declared an emergency for that number is only 2.6 percent of all the public-schoolchildren of the United States.

The Kestnbaum Commission on Intergovernmental Relations reported in June 1955:

We have not been able to find a State which cannot afford to make more money available to its schools or which is economically unable to support an adequate school program.

Clearly the States and localities are steadily solving their own problem.

Third, we are opposed to these bills because the taxpayers of the United States simply cannot stand the added burden. The Federal Government, of course, has no money except as it goes to the several States and gets it from the taxpayers, as the 10th amendment would clearly indicate.

Mr. BAILEY. Would the witness permit an interruption at this point?

Mr. HART. Yes, sir.

Mr. BAILEY. There is nothing in this legislation to provide any additional taxes beyond what the Federal Government is collecting at the present time. If we should approve the President's proposal there is money in the present budget to take care of it. They estimate that we will have at least a \$2 billion surplus in the budget for this year so that there is no additional hurt to the taxpayer as the result

of this legislation. It is just sending back to the States some of the money that the Federal Government has been collecting and bringing to Washington.

Mr. HART. The very fact that there is a surplus of \$2 billion, Mr. Chairman, shows that the taxes are already too high. We think, with apologies to you, sir, that the argument that there is money available there is answered by the statement that that is our money, speaking as we citizens from the several States.

Mr. BAILEY. We want to give you some money back to build some school buildings and you are objecting to it.

Mr. HART. We want you to cut taxes. That is the great thing that the people of this country need and, if I am not mistaken, they are going to get it in the fairly near future. At least that is our hope.

Mr. BAILEY. Go ahead with your formal presentation.

Mr. HART. I have only a little more.

Third, we are opposed to these bills because the taxpayers of the United States simply cannot stand the added burden. The Federal Government, of course, has no money except as it goes to the several States and gets it from the taxpayers. When it undertakes to do work that is properly for the States and localities to do, which the States and localities have always done, and which it has been continuously proven can be done by them, it simply means that the Federal Government is charging the taxpayers a brokerage fee—and a heavy one—for spending their money for them.

These bills before the committee are represented as aid bills. The New Jersey Taxpayers Association early this month found, as a result of a study, that only 23 percent of all Federal aid, which had grown from \$490 million for all purposes in 1945, to \$3.3 billion in 1950, represented money transferred from alleged rich to alleged poor States. The rest, 77 percent "isn't aid at all, but just round-trip money collected in taxes and returned with strings attached for Federal-controlled expenditure schemes."

Members of this committee must be alive to the growing resentment throughout the United States to the proposed budget of \$71.8 billion now pending. Senators Byrd and Bridges, who had at first suggested substantial amounts they believed could be saved from this budget, have already raised these figures.

I think the Congress is going to hear at an accelerating rate from back home. The people are fed up with the outrageous costs of government. They are fed up with the almost uncountable activities into which the Congress has permitted the Federal Government to extend itself.

If this Congress wants to make a 10-strike with the country, or I may say if either party in Congress wants to, they will cut from \$5 to \$10 billion off the present budget. And a good place to begin is to forget this business of so-called Federal aid to education.

One of the favorite ways of increasing Federal spending, and hence the burden of Federal taxes, is by adding new activities to what the Federal Government is already doing. Each new activity requires the setting up of a whole new group of bureaucrats or officials.

The President, in his message on the state of the Union, urged capital and labor to exercise restraint in order to halt inflation. But he pays lip service only to restraint on the part of the Congress and the administrative departments.



This is probably the greatest incentive to inflation.

Why then these bills?

Are they to be taken by the people as a part of that modern Republicanism of which we have heard so much lately and which has been going over with the people and with a growing number of Members of Congress, as I observe it, like a campaign to sell overripe eggs?

We earnestly hope that this committee, or if not this committee, then this Congress, will shelve these ill-advised attempts of the Federal Government to reach out and capture control of the public education of our children.

We ask most emphatically that these bills be defeated.

Mr. BAILEY. Does that conclude your formal presentation?

Mr. HART. Yes, sir.

Mr. BAILEY. I believe you are a native of the State of New York.

Mr. HART. Yes, sir.

Mr. BAILEY. It is rather unusual to have a Yankee down here arguing in behalf of States rights.

Mr. HART. Well, sir, we have always argued that way. I have always and we of my organization have always argued in favor of States' rights.

Mr. BAILEY. You do that when it is an economic advantage to you.

Mr. HART. Under all circumstances we believe in it.

Mr. BAILEY. Did you and your group appear before the Public Works Committee in opposition to the highway legislation passed in the last session of Congress?

Mr. HART. No, sir, we did not.

Mr. BAILEY. Why?

Mr. HART. We are an organization of limited means and simply did not have the personnel to cover all of the things we would have liked to cover but we were opposed to it.

Mr. BAILEY. I do not find anything in the record of the hearings to indicate that you were opposed to it.

Mr. HART. I do not think so.

Mr. BAILEY. Then you tacitly approved it because it has a dollar sign on it and has nothing to do with the welfare of our boys and girls. That is the reason?

Mr. HART. What is that, sir?

Mr. BAILEY. It has a dollar sign attached to it. There are some profits to business concerns. It is a materialistic viewpoint, if you want to put it that way.

Mr. HART. We were opposed to it. We are opposed to the Federal Government going any further into the spending of money on things that can be carried on by the States and in our opinion we could just as well have built those roads through the States.

Mr. BAILEY. Do you oppose Federal grants other than education?

Mr. HART. Yes.

Mr. BAILEY. What appearances have you made?

Mr. HART. I do not know that I can recall, Mr. Chairman, but we certainly would have no reason to come down here and oppose this as we are doing if we were not opposed to Federal grants generally to things that the States and localities have always done and we think can continue to do.

Mr. BAILEY. When I received your wire I felt that the committee wanted to have both sides of this question presented. I wanted to be fair to all of the people who are asking to be heard. I assumed when I had the clerk wire you to make the appearance this morning that you would be in opposition to the bills, but I was expecting to find you to be consistent to the extent that your organization had opposed all of these other Federal spending proposals, but now I find that you are just singling out education.

Mr. HART. No; that is not quite true. It is not true, Mr. Chairman. We have opposed many Federal spendings and we have opposed consistently in our writings and in our appearances the extension of Federal aid to the things, as I say, that the States and localities have always done. The reason is that it always costs more that way. It cannot help it. When the spending is done in the State the people are closer to it than when it is dictated from Washington or influenced from Washington like under section 104 of this bill.

Mr. BAILEY. Mr. Frelinghuysen?

Mr. FRELINGHUYSEN. Mr. Hart, I would like to say that I have listened to your testimony with attention. I do doubt that it is at all helpful to dismiss President Eisenhower's proposal to assist in this field as an example of modern Republicanism, and for that reason not worth worrying about it. There are a great many of us Republicans who are very much concerned about this shortage of classrooms. To say that it is not a serious problem is an argument that you are certainly entitled to advance and I am certainly not saying as a Member of Congress that we are not very much interested in economy, and perhaps this is one area where we can economize; but I do think that you are not of any great help to us in coming and saying without explaining how, automatically any Federal program in this field is, as you say, "an unwarranted interference with the rights and the duties of States."

As you know, we have had for the last 5 years a program of assistance in the construction of schools and in their operation in the so-called impacted areas. Over a billion dollars has been spent for that purpose. Do you feel that that is an unwarranted interference with the States' rights?

Mr. HART. You refer to the war areas, I suppose.

Mr. FRELINGHUYSEN. I refer to Public Law 815 and Public Law 874.

Mr. HART. That is a very special situation that does not exist here because this intends to go out into all the States.

Mr. FRELINGHUYSEN. This special situation is of a different character, perhaps. There is a shortage of classrooms which has not been met. I am not arguing.

Mr. HART. But it is a constantly dwindling shortage.

Mr. FRELINGHUYSEN. It will be eliminated presumably in the 15-year period without Federal aid.

Mr. HART. Within 4 or 5 years, Mr. Frelinghuysen.

Mr. FRELINGHUYSEN. Even with the Federal program the President says we will be lucky to eliminate it in 4 or 5 years. I am wondering whether you are opposed to a Federal program the basic purpose of which is not to unwarrantedly interfere with what the States and communities should be doing but which should encourage them to do their own job. As I see it, basically this school construction program

is to encourage and strengthen the capacity to make it easier in various ways for the community to build their own schools. After we get through with this part of the discussion I would like to take up again this question of Federal control. Would you be opposed to a Federal program the basic purpose of which is to see that communities do their own job and in which, if communities do not have the capacity, the States help out?

Mr. HART. Yes; we would be opposed to that, Mr. Frelinghuysen, because the record of the past 10 years shows a constant decline in the number of needed classrooms. It is down to the point now where only 2½ percent of all the pupils in the United States are without classrooms and have to double up. That should be remedied. It is being remedied rapidly and has been steadily over the past 10 years by the States.

Mr. FRELINGHUYSEN. What harm is there in the Federal Government encouraging that process?

Mr. HART. Here is the harm: It is going to mean that money that otherwise could be used for tax reduction or reduction of our debt and hence retrenchment is going to be spent for something else.

Mr. Chairman, I have been coming here for 20 years appearing before various committees and I find a feeling that the administration—I do not say this administration, but each of the last three administrations—have felt that to a large extent when extra money was available they ought to hunt around and find something to spend it on. Many utterances have been given to the effect that we cannot expect any further reduction of taxes.

Mr. FRELINGHUYSEN. What we are talking about, Mr. Hart, if we accept the President's proposal, is a grant program of \$325 million a year which, as you will admit, I think, is comparatively small in comparison with the defense spending program of \$88 or \$40 billion a year so that what we are talking about is a needed program and you can question how serious the need is, but it is relatively small so far as the money is concerned. It involves, as I might point out, more than grants anyway. I am asking whether you are opposed to an interest on the part of the Federal Government in any form apart from the Federal grants-in-aid and the size of those grants-in-aid?

Mr. HART. Yes; we are opposed to that because we think it is unnecessary. The interest that you speak of that the Federal Government will take will mean the creation of fresh bureaus, the employment of fresh officials, and once one of those bureaus gets started you know perfectly well that it is very hard to put it out of business. We are committed and it takes a revolution to throw it out. We need less rather than more government.

Mr. FRELINGHUYSEN. The Department of Health, Education, and Welfare will be the one to run this program.

Mr. HART. They will have to set up fresh employees to do it.

Mr. FRELINGHUYSEN. They will have additional employees to handle the funds, of course.

Mr. HART. That means more money and more taxes.

Mr. FRELINGHUYSEN. We are well aware that all these things mean money. It is going to come from the taxpayers' pocket one way or another if the job is going to be done. You are not going to save any appreciable amount of money if you have the Federal or local govern-

ment do it. The primary purpose is to have the communities do it, not for the Federal Government to take over the doing.

Mr. HART. Mr. Frelinghuysen, I do not know that all the Members of Congress appreciate the amount of spending that the Government is doing. Our research department in the past week has collected some data of the comparison between our budget of \$71.8 billion with the budgets of the next 32 nations that are the biggest spenders. The combined budgets of the 32 nations, Great Britain, France, every country except Soviet Russia, is only \$59 billion.

We propose to spend \$71.8 billion and as a matter of fact we will spend more than that from previous appropriations, and all these other countries together are spending \$59 billion.

Mr. FRELINGHUYSEN. I do not know how relative that is to our discussion this morning. What we are talking about is a relatively small Federal program in comparison with the \$71 billion planned expenditure.

Mr. HART. Mr. Frelinghuysen, the tremendous budget we have has been made up, not entirely of course, but substantially, of the addition of a great many relatively small expenditures. \$300 million compared with \$71 billion is, of course, relatively small, but compared with the needs of this country of the people themselves to keep their money and spend it, it is a substantial sum of money, if we can look through the picture of the Federal spending as the Hoover Commission did when it came up with a recommendation of \$7½ billion that could be saved.

Mr. FRELINGHUYSEN. I think your approach would be more constructive if you were making recommendations of that kind. I do not think you are going to get any tax reduction if we eliminate a program of this nature. I would be willing to bet that we would not whether we do or do not add this program. Your basic objection is that it costs money, and let us economize.

Mr. HART. It will cost more than if the States do it themselves.

Mr. FRELINGHUYSEN. Or it certainly would cost more than if nobody does it. The money will not be spent and the schoolchildren will not be housed. It will be done over a period of 15 years but we are going to sacrifice the welfare and adequate education for a great number of our children in the process. If we can needle the communities or make it easier for the communities to do a better job, I am for it.

To get back to the other question, the two points you made are Federal control and economy. If I may, I would like to turn to the Federal control aspect of it. If you want to comment on the economy side, I would be glad to hear that.

Mr. HART. I want to say that it is going to be impossible, human nature indicates that it is impossible for any bureau in the Department of Welfare or anywhere else in Washington to take as intelligent and keen an interest in the education of their children as the local people do back home.

Mr. FRELINGHUYSEN. The Federal Government is going to encourage the local communities to maintain and develop the schools.

Mr. HART. It does not need encouragement.

Mrs. FRELINGHUYSEN. The bald fact is that the schools are not being built rapidly enough whether you recognize it or not. In spite of spending \$2½ billion a year, enough schools are not being built. It seems to me that the Federal Government has a reasonable role to play in trying to stimulate State and local effort and to help with a

modest grant program to supplement that effort made at other levels of Government.

Mr. HART. Mr. Frelinghuysen, in the New York Times of February 17 there is a column article headlined, "Educators Split on Federal Aid." It is a dispatch from Atlantic City by Benjamin Fine, the New York Times education editor. It opens with the sentence, "The issue of Federal aid divided educators here today. Those who oppose the measure maintain that Federal aid would inevitably lead to Federal control."

Even the educators said that local school boards would have their authority undermined, that the tax burden would become too heavy and that the States can take care of their own needs.

Mr. FRELINGHUYSEN. The fact that they can take care of their own needs means that we should try to encourage them to do that, in my opinion.

I would like to discuss this problem of Federal control. To my mind, the way it is being misused is basically a bugaboo. What Federal control are we afraid of if the Federal Government helps in the construction program? You referred to section 3 of H. R. 976 which talks about control over personnel, curriculum or program construction. Are you suggesting that there would be Federal control of that aspect of the system if the Federal Government helps out in the construction program?

Mr. HART. I believe that from experience it would result in Federal control of the whole thing.

Mr. FRELINGHUYSEN. You believe that from what experience?

Mr. HART. I make the conclusion from the experience of the past where, when the Federal Government decided to give aid to this, that, or the other thing in the States, the localities have not dared to go ahead; in fact, they could not go ahead until their plans were approved in all details by a Federal bureau here.

Mr. FRELINGHUYSEN. You are not suggesting that we give the Federal money without watching where it goes, I suppose?

Mr. HART. You have answered the question, yourself, Mr. Frelinghuysen.

Mr. FRELINGHUYSEN. I am not saying there is not control over the Federal dollar. Of course we have to see that it is wisely spent. I hope you are not suggesting that we distribute it without watching where it goes.

Mr. HART. I am suggesting you do not spend it at all.

Mr. FRELINGHUYSEN. That would apply to a lot more programs than school assistance. I do not see why you do not select one of those.

Mr. HART. That would be better for the general welfare of the people.

Mr. FRELINGHUYSEN. Granted that most of us are going to feel that we have to watch where the money goes if it is spent and let us assume for the sake of argument that we are going to spend it for school construction assistance, what kind of a control or domination of the educational system do you believe could result from the kind of assistance we are proposing?

Mr. HART. I think, Mr. Congressman, that it would result in eventual complete control. It would result in eventual lessening of responsibility of the local school boards and in those sections of the

country with which I am familiar some of the best men and women of those neighborhoods serve on school boards.

Mr. FRELINGHUYSEN. I would like to find out why you say that a Federal program, the basic purpose of which is to encourage local responsibility, lessens responsibility.

Mr. HART. That is what it says in the bill.

Mr. FRELINGHUYSEN. Has the program for Federal impacted areas resulted in domination by the Federal Government of any local problems?

Mr. HART. I think to a large extent it has.

Mr. FRELINGHUYSEN. In what respect?

Mr. HART. In all essential respects.

Mr. FRELINGHUYSEN. I know of no example that has ever been submitted to this committee where there has been any control even suggested by the Federal Government to the local school boards in any case. I have some in my own district that are receiving Federal funds. In no case have I heard any question of Federal control.

Mr. BAILEY. Will the gentleman from New Jersey yield at that point?

Mr. FRELINGHUYSEN. Yes, I would be glad to yield.

Mr. BAILEY. I read into the record previous to your beginning your testimony a communication from one of the school superintendents who operates in a district that is receiving grants under Public Law 815. He said that 300 of those districts were represented at the recent Atlantic City meeting and not a single one of them protested Federal Controls in the administration of Public Law 815.

Mr. HART. Well, I would say that part of their attitude might be explained by pressure from the National Education Association.

Mr. FRELINGHUYSEN. What kind of pressure could the National Education Association exert on a local school board that would result in them not saying something that they felt like saying or in saying something that they did not mean?

Mr. HART. Because the National Education Association has grown to be an organization of very great power. It has the power to make or break an educator.

Mr. FRELINGHUYSEN. How would it affect the independence of a local school board? There, I think you could claim that there was a more serious threat, if there was any threat on the part of anyone, rather than that the Federal Government constitutes any dominating force.

Mr. HART. I think the passage of this would mean that, as I have said before, local interest would lessen. They would say, "Leave it to Washington. Washington is going to decide anyway."

Mr. FRELINGHUYSEN. But you would have objection, in theory at least, to a program that would encourage local awareness of the responsibility?

Mr. HART. I do not think that would. I think it would have the opposite effect.

Mr. FRELINGHUYSEN. You think that bringing Washington into the picture automatically results in a lessening of interest?

Mr. HART. Congressman, when you can get easy money from Washington and if there was no control—

**Mr. FRELINGHUYSEN.** Who is suggesting easy money? You are the only one that suggests that we could do it without attaching strings. As far as I know the bills do not say that there is easy money.

**Mr. HART.** The bills are in section 104.

**Mr. FRELINGHUYSEN.** There is no easy money so that there is no basis for thinking that every community is going to look to Washington for its solution to the problem.

**Mr. HART.** The money is not raised in that district or city. Eventually it has to be raised by the taxpayers, but it throws sand in the eyes of the less well-informed taxpayers who do not realize they are paying for it. They are getting their new school, if that is what is wanted; yes. They put up a certain proportion of the money and the State puts up a certain proportion of the money and they think they get the rest from Washington.

**Mr. FRELINGHUYSEN.** I have a greater confidence in the average American than you have. I think he is well aware of the fact that the Federal dollar comes out of the taxpayers' pocket. We do not coin money here, and perhaps 30 or 20 years ago they did think they found a new source of money without strings or obligations and which did not come out of their own pockets; but I think we have an educated citizenry today and I think they are well aware of the implications of what the Federal Government is doing, and I hope we are well aware of our responsibilities to do something about what I consider a serious national problem.

I have no further questions, Mr. Chairman.

**Mr. BAILEY.** Mr. Haskell?

**Mr. HASKELL.** Mr. Hart, are you a businessman?

**Mr. HART.** I formerly was, Mr. Haskell. I was engaged in manufacturing for about 10 years in the 1920's.

**Mr. HASKELL.** Have you ever worked for the Federal Government?

**Mr. HART.** No, sir. I was a member of the New York Legislature 50 years ago, along with my old friends Al Smith and Bob Wagner, and then I went into law and practiced law until the 1920's. I have been connected with this organization since 1930.

**Mr. HASKELL.** Have you ever worked in an executive branch of government?

**Mr. HART.** No, sir; only the legislative.

**Mr. HASKELL.** The reason I ask the question is that you mentioned something about a Socialist conspiracy within the Government, either in the legislative or the executive branch, to perpetrate Federal aid to education.

**Mr. HART.** I do not think I used the term "Socialist conspiracy."

**Mr. HASKELL.** I think you used it in your testimony.

**Mr. FRELINGHUYSEN.** You used the term "world Socialist government."

**Mr. HART.** Yes.

**Mr. HASKELL.** I am not too clear on what you meant there.

**Mr. HART.** I mean this, Congressman: There is a very great threat of world government. We have many organizations, like the Atlantic Union, which are interested in partial world government.

**Mr. HASKELL.** Could you relate this to the problem immediately at hand here; Federal aid?

Mr. HART. I am trying to answer your question. The United World Federalists are working for world government. The personnel, or a large part of the personnel, of the United Nations are devoted to showing doves of peace through there and trying to sell them on the idea of world government.

Mr. HASKELL. What has that to do with this?

Mr. HART. It has this to do with it. In order to have world government, in order to convert this American Republic—which I claim is not a democracy but is a republic as it was always intended to be—into a unit in a world government, you have to concentrate all authority in Washington. This is with a view; it is one of the moves necessary, to concentrate all authority over the people in Washington. Do you see the connection?

Mr. HASKELL. So that you feel then that there were people either in back rooms or front rooms sitting down together and dreaming up this Federal aid to education to eliminate our classroom shortage as a part of a sort of master plan to create an international Socialist government.

Mr. HART. Yes; I think it has a relation to that.

Mr. HASKELL. Could I ask one other question? In Alabama there were around 13,000 classrooms available at the beginning of 1956-57. They claim there is a shortage of around 11,000 classrooms. It is a pretty high percentage in any case.

Arguing the figures up or down, we know that there is a considerable shortage in Alabama. The city of Birmingham turned down three bond issues on a local basis the other day. Now, the people in that particular city did not accept their responsibility on a local basis to build the classrooms needed. Do you feel that you just let this go?

Mr. HART. Who says it is their responsibility? The Congress of the United States?

Mr. HASKELL. I am not talking about Congress at all. I am saying that this is what happened. Do you, as a citizen, feel that you just let it go, that we have no responsibility? In other words, if they decide in Birmingham, not to provide the classrooms, then there is no responsibility elsewhere?

Mr. HART. There is no responsibility in Washington.

Mr. HASKELL. I did not say Washington. I said, Do our other citizens have any responsibility at all?

Mr. HART. Well, it would have to come through the National Government just as this bill would have it.

Mr. HASKELL. The fact is, that if for some reason or other, maybe because they were financially unable in that particular community, they were not able to build the classrooms there, what do you do about it?

Mr. HART. Well, the Kestnbaum Commission in its report in 1955 said there was not a State that could not take care of its educational need. Different States will have different ideas as to responsibility.

Mr. HASKELL. That is exactly right. The States can take care of the responsibilities, but in Birmingham they are not doing it. Now, what happens when it does not get done? That is my point. Do you just let the kids go uneducated?

Mr. HART. Mr. Congressman, things are not perfect in this country. They never will be. Things that are done by one State, provided the States retain their liberty, will not satisfy frequently the people or



some of the people in other States or the people here in Washington, but we have a Constitution, and articles IX and X of the Bill of Rights say just as plainly as anything could that the powers not delegated to the Congress are reserved to the States or to the people. I think it is far more important for that to be preserved in spirit and in actual truth than for this Congress to pass any law.

Mr. HASKELL. It is more important to preserve that than to have the classrooms provided for the children?

Mr. HART. It is much more important, important as that is.

Mr. HASKELL. I think that is, then, the general position of your group, that you feel that the constitutional factors, and so forth, far outweigh the need to provide the necessary classrooms for the children where they are not being provided by their State or local community?

Mr. HART. Congressman, do you not believe that the greatest thing is to maintain the Constitution?

Mr. HASKELL. I am not arguing it. Is this true?

Mr. HART. Yes; I think it is.

Mr. BAILEY. Mr. Haskell, will you yield?

Mr. HASKELL. Yes.

Mr. BAILEY. The Chair would like to make the observation that the gentlemen are in position that they like the Constitution, but they would love it if it did not have the welfare clause in it.

Mr. HART. Of course, as to the welfare clause in the opening of the Constitution, there was formerly one interpretation of that by the courts and now there is another. Welfare used to be interpreted as the general well-being of the people. It has come in the last 20 or 30 years to be interpreted as social welfare which we think is a very different thing. With that we do not agree.

Mr. BAILEY. The gentleman comes from the State of New York. I presume you were advised of the recent Gallup poll showing better than 75 percent of the general public favoring classroom construction. We are not talking about general educational aid. We are talking about classroom construction. Therefore, evidently you are representing a minority group from New York and as proof of that fact I want to call your attention to this editorial that I have asked to have inserted in the record that is taken from the New York Times, one of the Nation's leading daily newspapers and certainly the leading daily newspaper in the city of New York.

This editorial is under the caption, "Is Your Child Surplus," and I am going to read a paragraph or two.

In the past 5 years the number of pupils in the Nation's public schools has increased by 5.5 million, and in the next 5 years it will jump by another 6 million. This extraordinary rise in school population, combined with a completely inadequate rate of school building, means that this year—right now—7 or 8 percent of the total number of enrolled schoolchildren in this country may be considered surplus in the sense that there are not facilities properly to take care of them.

The latest report of the United States Office of Education estimates the classroom shortage at 150,000, and the number of excess students at about 2.3 out of a total of 31.5 million. This excess is taken care of, so to speak, by various expedients such as half-day or two-shift sessions, makeshift accommodations or, most simply, by excessive overcrowding. While satisfactory physical conditions certainly cannot guarantee a good education, the absence of such facilities is pretty certain to prevent a child in the American of today from getting a good education.

Now, they conclude that editorial with this thought:

Surely more important to a democracy than an educated and enlightened citizenry. We would like to see Congress produce action on a school bill as early in this session as possible.

That is from your own New York Times.

Mr. HART. I do not claim any proprietorship in any sense in the New York Times. The New York Times is in my opinion, and in our opinion, and in the opinion of many people, a Socialist welfare one-world newspaper, probably the leading one in the United States.

Mr. BAILEY. Will the gentleman repeat that?

Mr. HART. Well, I do not know that I could repeat it exactly. If the stenographer would read it, that would be better.

Well, I will try to repeat it.

The New York Times is one of the largest and most influential Socialist-minded one-world newspaper in the United States, and I have been reading it, Mr. Chairman, for many, many years. It is a great newspaper. I think its greatness is in, chiefly, the very full coverage it gives to important speeches and things like that, but I do not agree, and a multitude of people in New York do not agree, with its Socialist policies.

It would be for this, but it seems to me that the whole thing is summed up in this: Yes, we want plenty of school space. We cannot have everything we want in a minute. The record shows the States and localities have been remedying this situation rapidly. They have it about three-quarters cured.

Mr. BAILEY. That is your opinion. You have no proof of that.

Mr. HART. Yes; I can furnish figures that will substantiate that. I will be glad to furnish them if the committee would like to have them and put them in the record. I will send them to you from New York tomorrow.

Mr. BAILEY. Where are you going to get those figures?

Mr. HART. I have them in our records.

Mr. BAILEY. From what sources do they come?

Mr. HART. It is a responsible source. It is a survey. It is the kind of source that the Kestnbaum Commission based its report on.

We want school facilities. We believe in education just as much as the New York Times does, but we do not believe in violently starting to overturn important provisions of the Constitution to get it within 2 or 3 years when it will be had completely by present methods within 5 or 6 years.

Mr. BAILEY. The gentleman from New Jersey.

Mr. FRELINGHUYSEN. I am interested in your reference to the Constitution. You just said that Federal legislation in this field might necessitate overturning the Constitution. You are not suggesting that since this country was founded that the Federal Government has not had a constitutional interest in the educational problems of the Nation, are you?

Mr. HART. I do not know what you mean by a "constitutional interest." All I know is the Constitution itself, the 9th and 10th amendments.

Mr. FRELINGHUYSEN. Do you think the Federal Government has been precluded since its establishment from taking an interest in educational matters?

Mr. HART. Of course it has taken an interest and it has done it in an emergency method as in the war areas where there was a crisis and something had to be done.

Mr. FRELINGHUYSEN. You are not asserting then that there is any constitutional prohibition against taking such action?

Mr. HART. I am simply saying that the effect of this bill, of any of these bills, would be to concentrate the authority over schools not in the States and localities where it belongs but in the Federal Government.

Mr. FRELINGHUYSEN. I understand that your basic arguments are economy and possibly Federal control. I was wondering whether there was an additional one that there is a constitutional prohibition against any action.

Mr. HART. No expressed prohibition except as contained in the 9th and 10th amendments.

Mr. FRELINGHUYSEN. What do you mean by "overturning the Constitution"?

Mr. HART. Overturning an important part of the Constitution.

Mr. FRELINGHUYSEN. What part are we overturning?

Mr. HART. The 9th and 10th amendments of the Bill of Rights. I cannot quote it exactly. It said all powers not directly delegated are reserved to the States and people.

Mr. FRELINGHUYSEN. You think that is a prohibition from the Federal Government taking any part in education?

Do you think it is an unconstitutional invasion of power to have set up this impacted school district legislation?

Mr. HART. Mr. Frelinghuysen, we did very well in this country for 120 or 130 years by consistently following the provisions of the Constitution.

Mr. FRELINGHUYSEN. I am wondering if you are suggesting that we are violating the provisions of the Constitution in considering this legislation. That is a simple question.

Mr. HART. Well, you can consider anything, of course, but I think that the passage of legislation like this would be not in keeping with the spirit of the Bill of Rights, the 9th and 10th amendments.

Mr. FRELINGHUYSEN. Are we talking about the spirit or whether we are violating any part of the Constitution by enacting legislation in this field, in your opinion?

Mr. HART. The passage of this would violate the reservation to the States of power such as the power over education.

Mr. BAILEY. You are not in sympathy, then, with the decisions of the Supreme Court in 1954 and 1955 in the field of education having to do with segregation?

Mr. HART. No, sir. We are not. After all, I do not think any of you gentlemen remember a case when the Supreme Court of the United States has decided an important thing, overturning a precedent of 60 years solely on the say-so of social welfare writers such as Gunnar Merdel, who was referred to specifically in the 1954 decision.

Mr. BAILEY. You deny their right to interpret the Constitution, is that right?

Mr. HART. I know that momentarily the Constitution is what the Supreme Court says it is, but I do not think that could prevail very

long if, as it seems to me is appearing more and more, it is going to result in really the undermining of the Constitution.

Mr. FRELINGHUYSEN. You do not think what can prevail very long, Mr. Hart?

Mr. HART. This idea of reaching decisions in the Supreme Court solely from the writings of Socialists.

Mr. FRELINGHUYSEN. How do you think we will change the situation? How will it not prevail?

Mr. HART. I do not think that the American people will put up with that indefinitely.

Mr. FRELINGHUYSEN. What will they do?

Mr. HART. I think they will bring about an atmosphere where Supreme Courts which, as our old friend Hennesey said, will follow the election returns.

Mr. FRELINGHUYSEN. Do you mean that you would suggest they impeach the present Supreme Court?

Mr. HART. I did not say that.

Mr. FRELINGHUYSEN. How do you bring about an atmosphere? How do you not put up with something?

Mr. HART. The people can express themselves at elections.

Mr. FRELINGHUYSEN. Elections of Supreme Court justices?

Mr. HART. Certainly not, of the President and of the Congress.

Mr. FRELINGHUYSEN. They have done that overwhelmingly and the President is suggesting this program and so presumably it is not out of line.

Mr. HART. We have not heard the last word on those questions, Congressman.

Mr. FRELINGHUYSEN. Which questions, elections? I am sure there will be another election.

Mr. HART. The questions that are raised, for instance, by the Supreme Court decisions of May 17, 1954.

Mr. FRELINGHUYSEN. I am not suggesting we have heard the last word on it.

Mr. HART. That is not working so awfully well, you know, either in the South or to a certain extent in the North.

Mr. FRELINGHUYSEN. I am certainly not arguing with that. I am wondering what you do if you are dissatisfied with certain decisions of the Supreme Court, what your suggestion is.

Mr. HART. You elect people that will bring about other decisions.

Mr. FRELINGHUYSEN. You do not elect Supreme Court justices.

Mr. HART. You elect the people who appoint and ratify them.

Mr. FRELINGHUYSEN. I have no further questions.

Mr. BAILEY. Thank you, Mr. Hart.

Mr. HART. Thank you, gentlemen, for the opportunity to be heard.

Mr. BAILEY. The next witness will be the legislative representative of the American Farm Bureau.

Mr. Lynn, you may further identify yourself to the reporter and proceed with your testimony.

**STATEMENTS OF JOHN C. LYNN, LEGISLATIVE DIRECTOR; AND  
HARVEY L. DASTRUP, LEGISLATIVE ASSISTANT, THE AMERICAN  
FARM BUREAU FEDERATION**

Mr. LYNN. Sir, I have with me, Mr. Harvey L. Dastrup, who is one of the members of my staff.

My name is John C. Lynn. I am legislative director of the American Farm Bureau Federation. I live in Fairfax County, Va.

Mr. Chairman, recognizing the tightness of the schedule, with your permission, I would like to file my prepared statement for the record and then comment on it briefly, if I may.

Mr. BAILEY. If there is no objection, you may submit it for inclusion in the record following your testimony.

Mr. LYNN. Yes, sir.

May I make another request, sir. Four of our State Farm Bureaus, Massachusetts, Virginia, Indiana, and California have made requests to the committee for appearances here. We know that you have a tight schedule, but with your permission I would like to have their statements which will be submitted to the clerk of the committee inserted in the hearing record immediately following the American Farm Bureau presentation.

Mr. BAILEY. For the information of the gentleman now testifying, the Chair has directed the clerk of the committee to notify all of the State Farm Bureaus that the National Farm Bureau has been accorded a hearing and all of them have been directed and have contacted the clerk to submit their briefs for inclusion in the record.

Mr. LYNN. All I am requesting, sir, is if it is possible to do it following the American Farm Bureau presentation.

Mr. BAILEY. If they are available at the present time they will be included.

Mr. LYNN. They will be available.

(The information referred to appears at the close of witness' testimony.)

Mr. LYNN. Mr. Chairman, I would like to point out some of the highlights of this statement. The American Farm Bureau Federation, as you no doubt know, is the largest farm organization in the country.

Mr. BAILEY. Approximately what is your total membership? Are you going to give that?

Mr. LYNN. About 1,600,000 farm families in all of the 48 States.

Mr. BAILEY. How does that compare with your membership of 5 or 10 years ago?

Mr. LYNN. It is about 500,000 larger than 10 years ago.

If we thought for a moment that the States, counties, and local communities could not meet this problem of schoolroom construction, I believe we would be for some of these bills that are before the committee.

Mr. BAILEY. Let the Chair interrupt the witness at this point. Frankly, I am amazed at your appearance here in opposition to the proposal to build some classrooms for the children of this country. Knowing the history of your organization and knowing that the farm interests that you represent have been the greatest recipient of Federal subsidies and Federal grants-in-aid, I am amazed at your appearance

here to object to the Federal Government doing something about this school problem. Now, you want to keep your own hand in the till but slap the wrist of everybody else who wants to stick his hand in the Federal till. Is that the position?

Mr. LYNN. I would like the record to clearly show that that is not our position.

Mr. BAILEY. Then you had better prove it in your presentation.

Mr. LYNN. I am prepared to make a good hour's statement here on the evils of some of the subsidies we have in agriculture and what they have done to farm income.

Mr. BAILEY. But you are still taking the Federal money, are you not, and have cost the Government over \$4 billion loss in the Commodity Credit Corporation.

Mr. LYNN. I want to point out that that has not been our position and you know it has not because we have contacted you on many occasions saying to you, "Do not vote for more Federal control and more subsidies for agriculture."

Mr. BAILEY. Sometimes I have gone along with you and sometimes I have not.

Mr. LYNN. We appreciate your support for our policies.

Mr. BAILEY. But I am of the opinion that you are kind of behind the eight ball, if you will pardon the expression, in your appearance here and are going to have to do some tall talking to justify your appearance here.

Mr. HASKELL. Will the chairman yield?

Mr. BAILEY. Yes.

Mr. HASKELL. I would like to say that I think people can have an honest difference of opinion on the subject of Federal aid and the Farm Bureau has a perfect right to express their opinion without being on the spot, so to speak, to justify something. I think they are not on the spot any more than any group, the NEA or any group, and I think they ought to proceed in an atmosphere of receptiveness.

Mr. LYNN. That is our intention, sir.

Mr. BAILEY. You may proceed with your presentation.

Mr. LYNN. I would like to read this statement now, sir, since I have been interrupted?

Mr. BAILEY. We have an hour at your disposal.

Mr. LYNN. The opportunity of summarizing the views of the American Farm Bureau Federation on the issues presented by the various bills under consideration by the committee is appreciated.

This statement is based upon the policies adopted by the official voting delegates of the member State Farm Bureaus at our most recent annual meeting.

More than 2,600 county Farm Bureaus have given careful consideration to public school education for many years. At our most recent annual meeting, the official voting delegates of the member State Farm Bureaus, who had been elected in their States by the voting delegates of the county organizations, adopted the following policy without a dissenting vote:

Great progress is being made in improving our public schools. We are aware of the need to continually improve our system of public education, and believe that this need can be most effectively and adequately met through the utilization of State and local funds.

An imperative need of our public schools is the establishment of a curriculum that helps students acquire a true concept of the basic principles and philosophy of the American system of self-government and the competitive enterprise system. Such a curriculum should emphasize learning how to live and think independently. It should provide the fundamental academic knowledge necessary in daily life.

Every effort should be made to keep subversive influences out of schools and to guard against educational institutions falling under the control of any subversive group.

We urge State and county Farm Bureaus to study the curricula of the schools and take effective action to improve the educational system.

We urge that State Farm Bureaus consider action on the following additional proposals:

(1) Equalizing educational opportunities with special emphasis on measures to insure that rural children have the same opportunity to obtain a good education as those in the city.

We are for everybody having an opportunity to obtain a good education.

(2) Spreading the cost of public school support among all citizens of a State.

(3) Raising the standards of rural teachers with emphasis on aptitude to teach as well as academic achievements.

(4) Reorganizing school units and administration for efficiency and adequate educational service.

This policy is indicative of the great concern about public education which is felt by our farm people. We are proud of the records of State and country Farm Bureaus in promoting better schools, and that record is replete with evidence throughout the whole 48 States that we have taken leadership in improving the school conditions.

We can assure this committee that rural people will continue to work for the improvement of our schools.

There is no doubt among our members that there is a continuing need for improvement in our program of school building construction. We are aware of the increase in school enrollment. In 1954-55 there were approximately 1,100,000 children added to the school rolls. Based on the standard of 30 pupils per room, this would have required 36,000 additional classrooms. As a matter of fact, approximately 60,000 new classrooms were built during this period.

In 1955-56, 1,040,000 new pupils were added to the school rolls. At 30 pupils per classroom, this would have required approximately 35,000 new classrooms. It is estimated that roughly 64,000 new classrooms were completed during that year. In both of these years it is evident that a substantial number of new schoolrooms were available for the replacement of those becoming obsolete.

If I might inject here, sir, we recognize that there is need for further building of schoolrooms. As I started in the beginning to say, if we had any idea that the State and local units of government could not and would not meet this responsibility then we think that there would be a place for Federal aid for school construction but, Mr. Haskell, referring to the situation in Alabama which you referred to with the other witness, the Farm Bureau has some responsibility there as well as other organizations, to make sure that these people in the local communities understand these needs and are willing to meet the necessary taxes in order to provide facilities for schools.

To repeat, if we thought that these communities could not do this, then there would be a place for Federal aid, but we are sure that we have not done as good a job as we should in promoting this idea and we are sure that, if we do our job and the other people who are in

responsible organizations do their job, that the local communities, States, and counties can and should meet this responsibility.

Mr. FRELINGHUYSEN. Mr. Lynn, I wanted to ask you this question: Do you think that the Federal Government has no place in helping communities do their own job?

Mr. LYNN. We are in support, Congressman, of the Federal aid for distressed areas due to vast increases in population as is true in defense areas and areas here around Washington and in the western part of the United States where the tax base is low due to Federal operation of taking over the tax resources.

Mr. FRELINGHUYSEN. I do not mean just that area. I am talking about general classroom construction. If there is a shortage of classrooms, do you think the Federal Government has no job in facilitating the communities' doing their own job?

Mr. LYNN. Not at this time.

Mr. FRELINGHUYSEN. Why should your organization have an obligation to help out and develop the awareness of the community to the nature of their responsibility if they do not already recognize it and not have the Federal Government assume part of that load itself?

Mr. LYNN. We are convinced that the people in the local counties and communities—and we have farm bureaus in 2,000 of these 3,000 counties in the United States—can do this job. My point was that maybe we have fallen down in causing the rural people, the farmers, our members to accept this responsibility which is theirs.

Mr. FRELINGHUYSEN. I am not, certainly, blaming your association for the lack of awareness of responsibility in rural areas if it does exist, but I am wondering whether the Federal Government could not logically and sensibly have a role in needling the communities and States to do more than they have and facilitating and expediting the building of classrooms that are needed immediately.

Mr. LYNN. We do not think so at this time, Congressman.

Mr. FRELINGHUYSEN. I do not want to interrupt the flow of your testimony. You mentioned that we are presently building classrooms at a rate which more than exceeds the increased enrollments each year and that the excess can be used to at least take care of some of the classrooms that are becoming obsolete.

Of course, you are oversimplifying that problem if you do not refer to the large shortage of classrooms that were never built as a result of the depression in the thirties and a lack of opportunity during the war years and, of course, the increased birthrate in the last few years. In addition to obsolescence and increased enrollments, we have that serious shortage which even now is hardly being touched at the accelerated rate of construction as Secretary Folsom pointed out in his testimony.

Mr. LYNN. We recognize full well that we need more and better classrooms.

Mr. FRELINGHUYSEN. And we need an accelerated rate over what we are presently building.

Mr. LYNN. As I understand the Office of Education, their own figures indicate that this year we will build 89,000.

Mr. FRELINGHUYSEN. But the shortage is 159,000 and we have to be arbitrary in specifying what the nature of the shortage is.

Mr. LYNN. We do not necessarily concur in the figure of 159,000. As I understand it, this is a survey made by the Office of Education



from school principals and officials and it has been our experience that usually those requests are a shade high.

Mr. FRELINGHUYSEN. Well, it is based on figures from the States. Again, I do not think we need to argue about the exact accuracy of the present shortage figures but there is a problem beyond obsolescence and increased enrollments with which we are grappling in an effort to come up with some legislation.

Mr. LYNN. We admit that. The only difference between what I understand is your position and our position is that we both recognize the problem but we say that the local States and communities should solve this problem rather than the Federal Government.

Mr. FRELINGHUYSEN. I hope that you realize that the programs which we are considering basically recognize that responsibility just as much as you do. We are not proposing that the Federal Government take over the construction of the Nation's classrooms.

Mr. LYNN. I understand.

Mr. FRELINGHUYSEN. If we set up the wrong kind of program one of the undesirable consequences could be that there be a lessening of effort but I hope you will agree with me that, if we can encourage local initiative and effort and development of responsibility, that the Federal Government might be performing a constructive service.

Mr. LYNN. We assume that the members of this committee and the Congress have every good intent in trying to solve this problem. It is just a matter that we disagree with the method. We say that this problem can and must be solved at the local level.

Mr. FRELINGHUYSEN. I did not mean to interrupt your testimony. (Continuing written statement.)

Mr. LYNN. We present these figures to indicate to the committee that schoolrooms are now being built at an impressive rate with financing from State and local sources. We believe that this trend will continue. We assure the committee that county and State farm bureaus will give their support to the continuation of this excellent record of school construction which is being made by communities, counties, and States across the Nation.

There is evidence in a February 18, 1957 press release of the United States Office of Education that the current rate of school construction is being maintained and increased.

In this press release the Office of Education estimated that 69,200 new classrooms will be built in 1956-57. They indicated that this is a 10-percent increase over the previous year.

Mr. BAILEY. Let the Chair interrupt at that point to say that they estimated that there would be 69,000 built in the last year and they only built 63,000 so that they are estimating again that there will be 69,000 but you have no assurance that 69,000 would be built.

Mr. LYNN. We would certainly hope that they will reach this goal. We would not have any reason to believe that the Federal Government could get it done.

The construction in this current year of 69,200 new classrooms, when figured on the basis of 30 pupils per classroom, would indicate that we will have sufficient new facilities to take care of approximately 2,076,000 new students. It is estimated that in this current year about 1,100,000 new students will be enrolled in our public schools.

I can add, Mr. Chairman, that these figures are very illusive and I know there is not complete agreement on them, but this is the best information we have.

These Office of Education figures indicate that about 50 percent more new classrooms will be built than are needed to take care of the additional enrollment. This would indicate that about 30,000 old and obsolete schoolrooms could be abandoned.

We wish to call the committee's attention to the obvious fact that State and local governments are in a better position to assume the present and continuing financing of public education than is the Federal Government.

From 1900 to 1940 interest on State and local debts stood at between 7 and 10 percent of all State and local expenditures; in 1954 it dropped to 2½ percent. In 1940 interest payments by the States equaled 4.4 percent of all general expenditures; in 1954 they amounted to only 1.2 percent. Similarly, in 1940 within the public school finance picture, interest payments amounted to 5.8 percent of total revenue, while only 2 percent was required to meet the same responsibilities in 1954.

We are aware that the financing of public education presents a difficult problem to local and State governments. However, there is no evidence to indicate that the entry of the Federal Government into the field would provide any better service at any less total cost.

We were interested in studying the most recent Economic Report of the President of the United States. We were particularly interested—on pages 48 and 49 of this report—where it is stated that expenditures of State and local governments have been increasing and that the objectives of this increased spending includes schools. It then notes that, and we quote from the report:

In view of the exceptionally high demand for labor, materials, and equipment needed to carry out these projects, it is inevitable that not all of them can go forward as rapidly, or on as large a scale, as may be desired.

If high demands for labor, materials, and equipment are making it difficult for State and local governments to carry out all of their planned projects, it is difficult to see how Federal aid could result in any appreciable net increase in total school construction without contributing further to the already dangerous inflationary situation so clearly set forth in other portions of the President's Economic Report.

#### THE FEDERAL BUDGET IS TOO BIG—IT SHOULD BE CUT

In our opinion, the instigation of Federal aid to education—even in a modest form, as Federal aid for school construction—may actually be a great disservice to our public school system. The result of intervention by the Federal Government could be to stymie initiative on the part of the local people who will get the impression that if they wait long enough the all-powerful Federal Government will come in and assist them. Even though the bills before this committee provide very meager sums in relationship to the expenditures that are being made by State and local governments, we know from experience that Federal programs, once begun, tend to grow from year to year. Even though this legislation is labeled a temporary measure, we know from long experience that "there is nothing so permanent as a temporary Federal program."

Federal aid to education will certainly be followed by Federal intervention in the operation of our public-school systems. Experience with other programs has caused us to doubt that any Federal administrator will allocate funds to a State without having some control over their utilization.

Mr. BAILEY. Let the Chair interrupt. You have been boasting about the number of classrooms being built. You are familiar with the operation of Public Law 815?

Mr. LYNN. Yes, sir; to some degree.

Mr. BAILEY. You are aware of the fact that 50,000 of these classrooms for which you are taking credit were built under the activity of Public Law 815 in which the Federal Government participated?

Mr. LYNN. I do not think we took full credit for the building of these classrooms. We are very much for that program if it is meeting the needs.

Mr. BAILEY. All right. Suppose that program had not been initiated. What would have been your situation in the school classrooms today?

Mr. LYNN. I do not know.

Mr. BAILEY. Instead of being 159,000 it would have been in excess of 200,000.

Mr. LYNN. We supported this program originally because we recognize that as large airbases, for example, move into a local community, the influx of children and the taking away of part of the taxable revenue make it necessary to have that program.

Mr. BAILEY. Did your group go on record as favoring Public Law 815?

Mr. LYNN. I think we did.

Mr. BAILEY. I do not recall. I was chairman of the subcommittee.

Mr. LYNN. It may be that we just filed a statement or letter.

Mr. BAILEY. I do not recall your having testified but that is beside the point. The point I am making and the question I am raising is this: That has not in any way resulted in Federal control. It has not in any way endangered the Constitution or the American way of life any more than this program would do.

Mr. LYNN. Mr. Chairman, if I might add, we are talking about different things now. I bring it out a little later, if I might continue. Then I will be happy to answer questions.

Mr. BAILEY. Go ahead.

Mr. LYNN. The public-school system of this country is the envy of the world. The unprecedented progress that has been made in our public-education system has been accomplished by State and local effort. Local control of our school system has made it possible for programs to be developed to fit local needs. We respectfully suggest that Federal control and Federal authority are not as responsive to local needs and local situations as are local control and authority. We admire and respect our Federal Government, and appreciate its many useful functions. However, rural people do not want their school systems to be placed under Federal regulation now, or at any future date.

The American Farm Bureau supports Federal assistance to areas "experiencing severe financial burdens resulting from Federal projects." For purposes of the record, we would like to make clear that, in our opinion, this type of aid is far different in principle than any

nationwide Federal assistance proposals currently being considered by this committee. Arguments in support of aid to these overburdened areas do not question the ability of the area to make adequate provisions for their own school needs. Neither do they deal with the rights and prerogatives of their doing so. The aid so provided is designed to cover only the added costs which Federal activity has actually imposed upon the area.

Mr. BAILEY. Let the Chair interrupt you at this point.

Mr. LYNN. Yes, sir.

Mr. BAILEY. Do you not feel that the use of Federal moneys in these impacted areas by causing the school districts to join the Federal Government in the necessary expenditure to build these school buildings has been an incentive to build new classrooms?

Mr. LYNN. I think it has, in these special cases.

Mr. BAILEY. Then if the Federal Government would broaden it to make it a national program would it not also be an incentive?

Mr. LYNN. No, sir. As I said before, we are talking about two very different things. When the Federal Government goes into an area and, due to its activities, reduces the tax base and causes an influx in population, then I think the Federal Government has some responsibility, but that is entirely different from talking about Federal aid to all 48 States in the matter of school construction.

Mr. BAILEY. Who is responsible, if not the Federal Government, for the concentration of a great part of the population in certain areas that need these classrooms? Have they not concentrated their defense efforts and the war manufacturing facilities necessary to carry out the defense? Had that been properly distributed over the country you would not have had these areas where the shortage of classrooms exists so that there is a Government responsibility. It may not be as strong a responsibility as it was in the impacted areas where they bought the property and took the land off of the taxbooks, but certainly there is still a Government responsibility.

Mr. LYNN. We do not think so.

Mr. BAILEY. You do not think so?

Mr. LYNN. No, sir.

Mr. FRELINGHUYSEN. Would the Chair yield?

Mr. BAILEY. Yes.

Mr. FRELINGHUYSEN. On this point, Mr. Lynn, I realize that you are reluctant to make such an assumption but assuming that the Federal Government does have a responsibility to help out where there is a major shortage of classrooms, do you feel that the control that would result from the proposed distribution of aid is of a different variety than the control that is inherent in the Public Law 815 and Public Law 874 programs? You suggest in your testimony that there is a different kind of control that follows the assistance provided in the impacted school district programs. In fact, you said, "Arguments in support of aid to these overburdened areas do not question the ability of the area to make adequate provisions for their own school needs."

Of course, that is not quite true, because in order to qualify for Federal funds you have to show that there is a sufficient impact created by the Federal Government. So there is very definitely a questioning on the part of the Federal Government before the Federal money is made available. In the same way there is a ques-

tioning by the Federal Government before the general construction assistance would be made available.

Mr. LYNN. Congressman, I am sure you recognize that there is a difference, a very distinct difference in principle in the two things that we are talking about.

Mr. FRELINGHUYSEN. Now we are talking about the reasons, the justification for the program again. I am assuming now that there is a justification for the program.

Mr. LYNN. In the impacted area.

Mr. FRELINGHUYSEN. In both cases I am assuming that.

Mr. LYNN. I cannot make that assumption.

Mr. FRELINGHUYSEN. I said, assuming. I admitted that you were unwilling to assume it and said, assuming there is no more danger from Federal control developing out of one Federal control than from the other. In fact, if there were any danger of Federal control, it almost certainly would have developed in 5 years under the operation and maintenance program which has distributed about \$350 million over the past 5 or 6 years.

Mr. LYNN. We think there is a difference.

Mr. FRELINGHUYSEN. There is a difference in the danger that would result?

Mr. LYNN. Yes.

Mr. FRELINGHUYSEN. Why?

Mr. LYNN. I have before me H. R. 3986. I believe that is the administration proposal with regard to this matter, and beginning on page 7, beginning with "State plans," I am not a lawyer, I am only a farmer, but I cannot read pages 7, 8, 9, 10, and 11 without getting the distinct impression that there is a tremendous amount of control. May I just call your attention to it?

Mr. FRELINGHUYSEN. We are talking about control of what? Is it control of the educational system? What are we worried about? We fear Federal control of what?

Mr. LYNN. Let me point them out in the bill.

SECTION 104. The Commissioner shall approve a State plan for purposes of this title if such plan—

"if such plan"—then we go on, for example, on line 19, page 8:

Providing qualified personnel to counsel and guide local school agencies in formulating sound long-range school construction programs for meeting their school-facility needs.

We are not saying that the Federal Government is going in to dominate this thing, but there is every opportunity under the provisions of this bill under consideration for the Federal Government with an unscrupulous head of Health, Education, and Welfare, or Commissioner of Education, to dictate who is qualified personnel, and on the next page of the bill:

Developing a long-range plan for attaining a more efficient organization of school districts—

What does that mean? It will mean that it will be up to the interpretation of whoever is administering this law and we have great fear of somebody from Washington going down to county X, or State X, and saying, "We do not think you have the qualified personnel in X community to do this job. We do not think your long-range plan is sufficient."

We are not going to say that this is going to happen, Congressman, but we say there is every opportunity under this bill for it to happen.

Mr. FRELINGHUYSEN. In the first place, of course, the State has the control over these various individual school districts that submit applications for Federal assistance. I do not suppose you are suggesting that the Federal money should be made available without any control, fiscal control, or call it what you will. You surely do not believe that we should set up a program without worrying about how it is going to be distributed?

Mr. LYNN. We know full well that whoever is responsible for the administration of any Federal program has to report to you on how it is operating.

Mr. FRELINGHUYSEN. Is there not that kind of control in Public Laws 815 and 874?

Mr. LYNN. I think to a certain degree.

Mr. FRELINGHUYSEN. To at least as much degree, except that some of the money is going to be made available for operations and maintenance in the presently existing program.

Mr. LYNN. Mr. Chairman, we cannot agree that Public Law 874, whatever the number is, for these impacted areas should be used as a reason for putting this Federal aid program all over the United States.

Mr. FRELINGHUYSEN. Now you are jumping away from the subject and getting back to the basic justification for the Federal Government taking an interest in the problem rather than the method of distribution of funds assuming that both programs are legitimate ones. I am talking now about basic distribution of funds in the case of existing legislation which has been on the books for 6 years which has resulted in no Federal control charges by any school district that I know of and it has been to individual school districts.

There is a bypassing of the States, in effect, in the existing program which is not going to be allowed under the President's program at least. It has been suggested that we should be allowed to bypass the States in another bill.

The States have the responsibility to determine priorities to try to see which areas have the greatest need and to establish the right of the individual school district as to the receipt of Federal money.

Mr. LYNN. Under the provisions of the proposed legislation under the rules established by the Commissioner of Education.

Mr. FRELINGHUYSEN. Someone has to establish rules, of course.

Mr. LYNN. Well, Mr. Chairman, I am sure I am repeating myself, but I want to make our position perfectly clear. There is a lot of difference now in Federal aid for impacted areas where you perhaps have one school district in one State, just for example.

Mr. FRELINGHUYSEN. I am not arguing justification of program. What I am talking about and what I do not seem to be able to pin you down to is whether or not there is not at least as much danger of control under the existing program as under the general program of school construction.

Mr. LYNN. Mr. Congressman, that is what I was trying to answer.

Mr. FRELINGHUYSEN. Then you ought to be arguing against existing programs to impacted school districts, because the Commissioner has the same powers or even greater ones. It has power to make distributions directly to school districts which would not be provided in the

proposed legislation. It has the power to make distributions for operations and maintenance which in effect you would think might mean that they could determine the qualifications of teachers or what is taught in the school before they make Federal money available.

Nothing of that kind has developed and in my opinion I do not see how you can say, since we have a program which has been in operation and has not resulted in Federal control, that you are in favor of it and then come out and say a program which has the same ends in mind but with further restrictions on the role of the Federal Government is dangerous. Why is one dangerous and not the other?

Mr. LYNN. As I started out to say, I am trying to point out that there is a tremendous difference in Federal Assistance in impacted areas in a school district and Federal assistance to all of the States and throughout any State.

Mr. FRELINGHUYSEN. You mean there is a tremendous difference in the reason for assistance?

Mr. LYNN. There is a tremendous difference in the degree of control that the Federal Government could have if they so chose.

Mr. FRELINGHUYSEN. That is what puzzles me. It seems to me that the degree is greater in existing legislation than it would be in the proposed legislation.

Mr. LYNN. No, sir. We are not saying this is going to happen. We are obligated to our members to point out that this is a danger that they have expressed.

Mr. FRELINGHUYSEN. Why is the danger greater in the proposed legislation than it is in existing legislation?

Mr. LYNN. Because you are covering the whole United States. We get whole State school boards "zeroed in," State school administrators "zeroed in" as to what somebody in Washington wants, whereas now we are dealing with a little segment of a State problem in a local area over here where the State and the county could not meet their responsibility.

Mr. FRELINGHUYSEN. But the fact that the aid now provided by the Federal Government is pinpointed to certain areas of need does not mean that there is not the danger of control.

Mr. LYNN. But the danger is not as great.

Mr. FRELINGHUYSEN. I would think it would be greater. As I have suggested, it would be at least the same. You have restrictions on the Federal aid. There have to be certain requirements met under the existing programs for Federal assistance. There would be certain restrictions and qualifications under the proposed legislation. I do not see how you can say that the danger is not as great in both programs and perhaps even greater under the impacted school-districts program.

You say one program is broader than another and therefore there is more danger. I do not follow your logic.

Mr. LYNN. I have done the best I can to explain it to you, sir.

Mr. HASKELL. It seems to me it is hard to compare this. Mr. Frelinghuysen is saying that there is more danger in the impacted-area program because there is maintenance as well as construction. That is probably true more so than in the individual district in the total State. What you are worried about is the possible consolidated effect in the broad State program which does not exist in the impacted-area pro-

gram. There are differences of degree within both of these to compare. They are different worries rather than a difference of degree comparing the total of one to the other.

Mr. LYNN: I think you have stated it better than I did. Thank you, Congressman.

Mr. BAILEY. Now let the Chair get into this argument at this point. You used the expression that "somebody in Washington wanted."

Mr. LYNN. No; I did not, sir.

Mr. BAILEY. Yes; you did. I will have to ask the clerk to read it back.

Mr. LYNN. I would like for that to be done.

(The record was read by the reporter as follows:)

Question. Why is the danger greater in the proposed legislation that it is in existing legislation?

Mr. LYNN. Because you are covering the whole United States. We get whole State school boards zeroed in, whole State school administrators zeroed in as to what somebody in Washington wants—

Mr. BAILEY. Thank you. That is the point I wanted to make. The recent Gallup poll shows that 78 or 79 percent of the people in the Nation are favorable to the Federal grants-in-aid to school construction. Would that not conceivably include some of your farm people if you have the membership you maintain you have?

Mr. LYNN. It might. We do not work on the basis of polls, sir. We work on a very definite policy-development procedure. I can recall sometimes when it has been embarrassing with regard to depending on Gallup polls too much.

Mr. BAILEY. But you are saying that "somebody in Washington wants it."

Mr. LYNN. I think a lot of people want Federal aid to education. If they did not, I do not think you would be considering this bill. Conversely, there are a lot of people who do not think it is a good idea.

Mr. BAILEY. Why confine it to Washington?

Mr. LYNN. I do not. I think it is all over. There are in New Jersey and Delaware, I am sure, and West Virginia, people who want Federal aid to education.

Mr. BAILEY. You would imply there that, because the President has asked for a program of Federal grants-in-aid, that is the reason why we have it, would you?

Mr. LYNN. No, sir. We have been familiar with the Kelley bill for a long time. To repeat, sir, I think the Congress and this committee is really trying to do what they think some people want them to do. We just happen to have a little different point of view.

Mr. BAILEY. At least you have the responsibility to be consistent, too.

Mr. LYNN. That is right, and we are. We are very consistent.

Mr. BAILEY. I still want my statement about sticking your hand in the Federal Government trough and then slapping somebody else's who wants a little bit of similar treatment to stand.

Mr. LYNN. We admit freely that farmers have their hand in the Federal trough, but it is one of the basic reasons why we are not sharing as farmers in the prosperity that is rampant in America now. It is one reason we are in a real recession in agriculture because of unwise policies by the Congress and by the administration, both Democrat and Republican, which have caused us to get into the position



we are in. Two wrongs do not make a right. If there is any group in the country that ought to understand what Federal intervention in a business will do to a business, we farmers surely understand that one.

Mr. BAILEY. Would you say, then, that the position of your group is that you do not want Federal subsidies?

Mr. LYNN. We do not want Federal subsidies to the degree and in the form that we have been getting them. We do not want Federal subsidies that are designed for price fixing. We do not want Federal subsidies that cause farmers to overproduce and cause surplus agricultural commodities to pile up in the Commodity Credit's hands because we know that that is not the way that we get a good net income. Certainly we are for a farm program, and I think the Members of this Congress are very familiar with the Farm Bureau's position with regard to that.

Mr. BAILEY. Is it not true that a good bit of your subsidies are going to subsidize the sale of American agricultural products abroad? If you remember, under the provisions of our trade agreements your exports of agricultural products were 6 million or 7 million bales of cotton and that that had dropped down 2 years ago to approximately 2 million bales.

Mr. LYNN. Yes, sir.

Mr. BAILEY. And that this subsidy is going to market that surplus abroad.

Mr. LYNN. We are very much aware of that.

Mr. BAILEY. That is not beneficial?

Mr. LYNN. In the conditions that existed with the tremendous surplus of 15 million bales of cotton stored in the United States, with our losing our international markets due primarily to the fact that we had overpriced our cotton due to continuation of 90-percent price supports, we supported that provision of the Agricultural Act of 1956, which provided for this competitive sale and export of cotton, but this would not have been necessary had we not pursued wartime policies far too long after the emergency was over.

Mr. BAILEY. Mr. Griffin?

Mr. GRIFFIN. Mr. Chairman, as a member of the full committee and not a member of the subcommittee, but an interested member, I want to commend the witness. I think his statement has been one of the best presented to this subcommittee. I want to assure you that there are a lot of Members of Congress that share the same concerns that you express.

Mr. LYNN, one of the things that I think Members of Congress are apart on is whether there is a need which local communities and States are unable to satisfy within a reasonable period of time. I think you have already answered this question, but I just wanted to ask it again. Assuming that there is such an emergency and that in part it was created because of the war, when school construction lagged behind, and assuming also that the President's program is an emergency stop-gap measure which would only last 4 years, would there then be the same objection and same concern that you have expressed in your testimony?

Mr. LYNN. If we could make those assumptions then I think our conclusion would be the same, because we would not be consistent, sir, if we did not conclude the same thing if in fact we are supporting Fed-

eral aid for impacted areas which in most cases is due to war or future wars for which we are preparing to defend ourselves.

Mr. GRIFFIN. Then your concern is that this is the foot in the door or the head in the tent and it is not going to be just an emergency stop-gap measure and that there will be forces which will try to make this a continuing, indefinite Federal financing of education. That is one of the things that is involved in your position?

Mr. LYNN. Certainly. That is right, sir. We have certainly had good experience in agriculture that would lead us to form this opinion.

Mr. GRIFFIN. That disturbs me very much, too. I want to go on record as saying that.

Mr. LYNN. There is nothing so permanent as a temporary program originating in Washington. I think the record is replete with evidence on this point.

Mr. GRIFFIN. I might say that I am a member of the Farm Bureau in my district and know how the Farm Bureau operates and I have great respect for the way in which they arrive at their conclusions. I think certainly that this committee and the Congress should give a great deal of weight to the testimony and statements that the Farm Bureau puts in the record.

Mr. BAILEY. The Chair will have to interpose the observation that I was not aware that the gentleman from Michigan was a farmer.

Mr. GRIFFIN. I said I was a member of the Farm Bureau. I am an associate member. Aren't you a member of the Farm Bureau in West Virginia?

Mr. BAILEY. I am.

Mr. LYNN. You are an associate member?

Mr. BAILEY. That is right.

Mr. LYNN. We are very happy to have you.

In this statement we have not attempted to burden the committee with statistical tables showing the progress that is being made in the States and local communities in providing adequate educational facilities. We feel sure that the record of these hearings is replete with this type of information. We have simply tried to point out to the committee the great progress that is being made in improving our public-school system and some of the dangers inherent in Federal intervention in this program.

As the representatives of the parents of hundreds of thousands of rural schoolchildren, we in Farm Bureau promise to continue to work with State and local governments toward the necessary improvements in our school systems. Several of our member State Farm Bureaus have indicated a desire to testify at these hearings, and present specific information. They will attest to our interest in public education, and to our assurance that State and local governments can, and will, provide the necessary facilities to meet the ever-increasing need for improving our educational system.

The American Farm Bureau Federation views with considerable concern the picture of Federal intervention in an increasing number of fields which were formerly the responsibilities of State and local government. With the Federal debt at an all-time high, with the Federal budget for fiscal 1958 at an all-time high for a nonwar year, we think that citizens throughout the Nation are becoming more and more conscious of the fact that they do not get something for nothing from Washington.

Counties and communities throughout the Nation are spending unprecedented sums for new schoolroom construction, and efforts are being made to increase teachers' salaries and to improve the overall conditions of our schools. Local people understand this challenge and will meet it through local taxation, without Federal assistance and without Federal controls.

I do not want to take up additional time.

Mr. BAILEY. If you have additional comments you may go ahead.

Mr. LYNN. No, sir. I think that all the points that we have to make have been made. I would simply like to close by repeating that, as we have said in this statement, we pledge our continued hard efforts to try to overcome this situation that does exist, and we recognize that there is a shortage of classrooms and school facilities, and I do not believe there is a group in the United States, any group, that could do more about this than the 2,600 local county Farm Bureaus. We are going to continue to work at it.

Mr. HASKELL. May I ask one question?

Mr. BAILEY. Yes.

Mr. HASKELL. Do you believe in the consolidation of school districts as being an advance, as being progress? Is that something toward which you are working?

Mr. LYNN. There is some difference of opinion about the "little red schoolhouse" in our organization. If you will pardon me for making a personal reference; I was born and raised in South Carolina and I am very proud of that fact. I helped build the first consolidated school, with my own hands, in our community by laying brick and pouring mortar. The community built a 13-room schoolhouse. There are about 8 school buildings of brick construction within the radius of 10 miles of my old home that have been abandoned. I took the trouble when I was home over the Christmas holidays to look at those schools. They are really still adequate to meet the needs of those communities, but they have been abandoned, kids have thrown rocks through the windows, and there they stand; but over 15 miles away somebody had the idea of building a very big consolidated school. I was interested in this because I read in the local papers while I was there about the tremendous need for increasing the classroom space. This is Greenville County, S. C., O'Neill Township.

Then, as I see these 8 abandoned schoolhouses with perfectly good facilities, with heating facilities and all, and they have to haul the kids over to the consolidated school, I can get upset to the extent that I think we have overconsolidated in some cases and that, whereas we are finding a lot of these reports that we need so many more classrooms, as a matter of fact, they are in the community in many cases.

Mr. HASKELL. You are defending the one-room schoolhouse theory?

Mr. LYNN. No, sir. I am not, but I think the consolidation of our schools has been a good thing when we are ready for it, when the community and the county is able to build the facility to take care of all of the pupils that will come from these little red schoolhouses, so to speak.

Mr. BAILEY. Mr. Lynn, the Chair would like to inquire. You are familiar, of course, with the Hill-Burton hospital legislation.

Mr. LYNN. Yes, sir. We are in support of the Hill-Burton Act.

Mr. BAILEY. Did you appear and make your position known?

Mr. LYNN. Yes, sir. I believe you will find that Mr. Ransom Aldrich appeared.

Mr. BAILEY. Let me inquire about your attitude on the action of the Congress last year in setting up a \$32 billion highway program.

Mr. LYNN. We were very much opposed to that.

Mr. BAILEY. What were your grounds for opposition?

Mr. LYNN. We were for the States and counties doing this job. We were for a limited Federal aid to highway program that was in existence prior to the enactment of the law last year, which I believe was some \$250 million annually, again designed to take care of some of the urgent needs caused by the military. As you will recall, we proposed legislation to repeal the Federal gasoline tax and give this tax to the States in order that they might build the highways.

I have an idea that 10 or 15 years from now we will look back and perhaps decide that maybe that was a better course of action.

Excuse me for stringing out this explanation. I did not intend to do that. Yes, we opposed the Federal aid to highway program.

Mr. BAILEY. Now, you will have to agree, Mr. Lynn, that your group gets many favors and in addition to the subsidy that I previously mentioned back in my State in 1932 we had a constitutional amendment and classified the property for taxation purposes. If you were the owner of a farm or there was a bona fide tenant on that farm you paid \$1 a thousand. Tax rates in West Virginia cannot exceed 50 cents on first-class property which is negotiable bonds and notes and cash in the bank. It is one dollar on the farm group where they occupy the farm or have a bona fide tenant. Every other taxpayer pays \$1.50 and if you live inside of a municipality it is \$2.

There you have a direct favor in the classification of the property. I would say that, if you took that inhibition out of the Constitution and let the farm properties of West Virginia be taxed on an equality with the other taxable property in the State, West Virginia might be able to handle their school problem and I would like to say to you too, as you probably are already aware of it, that 10 percent of my voluminous amount of mail today is a protest against your cooperative.

I imagine you know that there is a nationwide movement on to try to cut away from the co-op groups.

Mr. LYNN. We are aware of that, sir.

Mr. BAILEY. You are aware of that situation.

Mr. LYNN. Yes, sir, but it will not be successful because we will vigorously oppose it.

Mr. BAILEY. I thought I should mention the fact.

Mr. LYNN. We are aware of that.

Mr. BAILEY. Now all of those things tend to lessen the amount of tax money available for those people back home to handle their own problems and it is one of the things that I had in mind when I said you were inconsistent in your appearance here because, if there is any one group getting favors, it is yourselves.

Mr. LYNN. I hope, Mr. Chairman, that the record will show very clearly that we are consistent and that we are not in favor of many of the Federal-type programs that you outline, sir. In your State of West Virginia this is a State matter with regard to the taxes. In New Jersey and Delaware, and I attended both of their annual meetings this year, this is a real problem, because the movement of the

cities out into the farms is creating a real tax problem with farmers in the northeastern area and other parts of the United States.

I think the farmers are paying their share of taxes, Mr. Chairman.

Mr. BAILEY. Well, another point is this. You claim you lost anywhere from 25 to 35 percent of your farm income over the last 4 or 5 years.

Mr. LYNN. Not that much, sir.

Mr. BAILEY. How much was it?

Mr. LYNN. About 19 percent net income is the amount that we are down.

Mr. BAILEY. Then you cannot be paying too much Federal taxes. Why did you object to the Federal tax, paid by somebody else other than the farm people, being used to build school buildings? That is some more of your inconsistency.

Mr. LYNN. Farmers are willing to pay our share of the taxes, sir.

Mr. BAILEY. Since your income is down you are not paying what you were paying 5 years ago. You will agree with me there.

Mr. LYNN. Yes, sir, but the law is fixed so that you pay on the base of what you earn, not on what you are supposed to earn and, if we can ever get our income up, we will be paying more taxes.

Mr. BAILEY. Yes, but I am talking about the present situation. It is not the farm people who are paying the tax.

Mr. LYNN. The farm people are still paying their share of the taxes.

Mr. BAILEY. All right, they are paying a reduced share of it.

Mr. LYNN. They are paying their fair share of the taxes.

Mr. BAILEY. I have to again remind you that taxes are coming from some other source to pay these huge subsidies to the farm group. It is not all tax money coming directly from the farmer.

Mr. LYNN. No, sir. We recognize that.

Mr. BAILEY. You get those subsidies but I have little industries over in my State of West Virginia, 5 or 6 of them like the glass and pottery and clothespin industries which do not get any subsidy. We have to meet foreign competition.

Mr. LYNN. You do get a subsidy, if I might inject.

Mr. BAILEY. What is it?

Mr. LYNN. It is in the form of tariff protection. That is a subsidy.

Mr. BAILEY. Would it be any information to the gentleman to know that our tariff rate under the reciprocal trade agreements has been cut better than 75 percent?

Mr. LYNN. I recognize that we have negotiated reciprocally to reduce tariffs, but we think that is in the best interests of the country.

Mr. BAILEY. Five glass factories in my State closed, seven potteries are operating at a reduced capacity due to foreign competition.

Mr. LYNN. We hope you would use the mechanism of the reciprocal trade agreements to get relief.

Mr. BAILEY. We go before the Tariff Commission to get relief and the State Department and the President set it aside. Now, I am wondering when we are going to get around to subsidizing some of these basic American industries to keep them from being driven out of business as we are subsidizing the farmers. We do not even get consideration.

Go ahead, Mr. Frelinghuysen.

**Mr. FRELINCHUYSEN.** Mr. Chairman, I would like to get around to the subject of school construction assistance, if I may. I think I am quoting you directly, Mr. Lynn.

First of all, I would like to say that I am sure you know that we have all been very interested in your testimony and appreciate your contribution.

Early in your testimony I think you said that you favor everybody having an opportunity for a good education.

As a general principle, I am sure that is one that you would support, is it not?

**Mr. LYNN.** Yes, sir.

**Mr. FRELINCHUYSEN.** I notice that your 2,600 county farm bureaus did not come out definitely against Federal aid to education. There was a statement that you believe—

the need to continually improve our system of public education \* \* \* can be most effectively and adequately met through the utilization of State and local funds.

I suppose you would have no objection to a Federal program that would have as its objective the utilization of State and local funds. If we could encourage and facilitate the use of those funds you would see no reason why the Federal Government should not provide some encouragement.

**Mr. LYNN.** If it is in the form of Federal aid as provided in these bills we could not be for it, sir.

**Mr. FRELINCHUYSEN.** You are against any kind of Federal interest in this problem even if it is aimed at encouraging the greater use of local facilities and a strengthening of the local educational system.

**Mr. LYNN.** We think the activities of the Federal Government, for example, the activities of the President of the United States with regard to trying to study this problem as they did at the White House Conference on Education in which we actively participated, is a good role of the Federal Government to encourage the States to do something about it. We should encourage the States but not to take over the responsibility.

**Mr. FRELINCHUYSEN.** Part of title 4 of the bill we have been discussing, the administration program, is again to encourage the States to do more than they have. The provisions for servicing debts that State financing authorities may incur would be a way to encourage effort at another level than the Federal level. The purchasing of bonds by the Federal Government is to encourage the issuance of bonds that might not otherwise be issued. There is no transfer of responsibility away from the areas where it belongs at the local or at best at the State level so that presumably you should not have any major objections except perhaps the grant-in-aid provisions as I understand, is that correct?

**Mr. LYNN.** If this bill were just confined to title 4.

**Mr. FRELINCHUYSEN.** I also included titles 2 and 3, the bond-purchase and debt-servicing provisions. What fundamental objections would you have to those since they are to help the communities to help themselves?

**Mr. LYNN.** If this bill were confined solely to that, certainly I am sure our board of directors would want to take a look at it in light of these policies here. I could not say, sir. I am a staff man, and I am sure you would not want me to start making policy here.

Mr. FRELINGHUYSEN. But you have no policy statement on Federal aid that you have submitted to us this morning.

Mr. LYNN. We have tried to state our policies on this issue.

Mr. FRELINGHUYSEN. But the policy refers to no opposition to Federal aid as such. The policy says that you want to encourage anything to develop the utilization of State and local funds. We certainly can believe, unless you tell us to the contrary, that this Federal program that the President has suggested is aimed at doing just that.

Mr. LYNN. Well, our policies stay in being for 4 years, and I think that you will find in our 1956 policies we have a flat statement against Federal aid to education in any form. I would be happy to supply that for the record if it would help clarify our position.

Mr. FRELINGHUYSEN. You suggest again that intervention by the Federal Government would be inadvisable if it stymied initiative on the part of local people. If it encouraged initiative would you be for it?

Mr. LYNN. If it was possible to do that, we might consider it, but our experience is that you do stymie initiative where the Federal Government intervenes in these programs where, to repeat, we think the States and counties and communities have the responsibility and should face up to the responsibility.

Mr. FRELINGHUYSEN. No one is arguing the question of where the responsibility lies. So far as we know, the Federal Government will not intervene in any major way toward providing any great assistance. Perhaps 10 or 12 percent is the total amount of assistance that will be used to build schools over the next 5 years if we enact this legislation, but there is not necessarily a blocking of initiative under a Federal program. I do not assume that you feel that the Federal Government must stymie it. If we can encourage it, you would be for it.

Mr. LYNN. We feel that the effect would be to slow down local activity.

Mr. FRELINGHUYSEN. The right kind of program might encourage it. I think you might take a look at the program to see if it might not encourage the building of more schools and issuance of more bonds. If it does not mean any transferring of responsibility away from the local government, I think you would favor it as you are favoring legislation to provide assistance in the Federal impacted areas. I do not think you automatically should say that we cannot afford to let the Federal Government step in because it might end with control by the Federal Government. If we set up a right kind of program there is no need in my opinion for that to be the case.

Mr. GRIFFIN. Would the gentleman yield?

Mr. FRELINGHUYSEN. I would be glad to yield.

Mr. GRIFFIN. There are other programs. Therefore, you cannot automatically consider the education program as being unable to do this.

Mr. LYNN. That is right. We support, for example, vocational education in our high schools. The reason that we can do that is that this is meeting a special need of Federal assistance in a specific area of education, namely, vocational training and guidance.

Mr. FRELINGHUYSEN. Again, we could certainly argue that there is a special need, a classroom shortage nationwide, which exists to justify

a Federal program, and we could bring in a great many witnesses to testify that the vocational money has resulted in perhaps an undue amount of interest on the part of the Federal Government and again I should think you could argue at least as effectively that there is as much Federal control that results from the use of Federal money for those programs as there might be in a program of construction assistance. I think your argument is weaker where you are talking about the building of a building than it would be in operation of a school or running of a program such as vocational education.

Mr. GRIFFIN. I hope that you will present in your conversations within your own organization the fact that this is for construction. There are too many Federal aid statements and naturally it raises a lot of fears. As Mr. Frelinghuysen said, if you could overcome the idea that there is a detrimental control here by the Federal Government, you might bring yourselves around to supporting this. I am not saying that you will be able to, but it is good to know that you have an open mind and if you could see that this would not happen you might support it.

Mr. LYNN. That is entirely possible. It would be up to our people. Our people make these policies. We do not make them.

Mr. FRELINGHUYSEN. I hope you could call attention to the fact that there is a possible inconsistency in supporting one kind of Federal aid for construction and operation and maintenance and refusing to support another kind of construction. There is certainly a possible inconsistency in your position.

Mr. LYNN. We have pointed that out to our people.

Mr. FRELINGHUYSEN. I think there is one point which we failed to emphasize enough which I think is by far the most significant part of your testimony. That is that you are pointing out that there is perhaps a serious inflationary implication in any general construction program which will add a good deal of pressure onto an already difficult situation.

In other words, if we are presently building schools at the rate of \$2½ billion Federal participation, accelerating that program conceivably could increase the pressures which are not problems to us.

Mr. LYNN. Certainly, that is right. We should work to cut the budget, not expand it.

Mr. FRELINGHUYSEN. I think perhaps we overlook that when we get off on these discussions which I do not think are so serious, Federal control and intervention and so on. I would like to conclude by saying that I think that that is a very interesting point which you bring out, and I wish that we had had more time to develop the validity of that argument.

Thank you very much, Mr. Chairman.

Mr. BAILEY. In conclusion, the Chair would like to make this observation and I do it in all sincerity. There is a growing feeling among Members of the Congress that your group is not functioning fully for the benefit of the farm folks. There is a feeling that you are functioning somewhat as an auxiliary of the United States Chamber of Commerce. I am forced to the conclusion that nothing in your testimony has changed my opinion the least bit.



Are you getting to the point where, unless there is a dollar profit for anybody you cannot see it? You take the materialistic viewpoint and lost complete sight of the question of the humanitarian interests.

Mr. LYNN. Mr. Chairman, I hope you will read that little farm bureau policy book that the president, Mr. Ballinger sent you from West Virginia, which is the complete text of our policies. I do not think you can reach that conclusion. We are not the tool of anybody. We are a free independent farm organization. I know when you become a large group such as we are, having 3 out of the 4 organized farmers in the United States, you are sure to come under attack; but I would hope that you would weigh the evidence very carefully before you concluded that we were under the domination of anybody.

Mr. BAILEY. More and more you are getting to act in the same direction as they are.

Mr. LYNN. Only where our policies are consistent, why, we find ourselves in agreement in many cases with many groups.

Mr. BAILEY. We appreciate your frank presentation. We will give it consideration when we sit down around the table to write the legislation. Certainly your viewpoints will be taken into consideration.

Mr. LYNN. Mr. Chairman, thank you for your courtesies and the courtesies of the committee.

(Information referred to earlier in witness' testimony follows:)

**STATEMENT FILED BY M. A. HUBBARD, EXECUTIVE SECRETARY, VIRGINIA FARM BUREAU FEDERATION, WITH REGARD TO PROPOSALS FOR PROVIDING FEDERAL AID TO EDUCATION, 1957**

You have now before you for consideration several proposals designed to provide the States and their political subdivisions increased Federal aid to education.

These are financially fascinating propositions, but from the long-term standpoint they pose a terrible threat to the future health and well-being of our political institutions, to our economic order, and to our continuing status as free citizens in a democratic society.

We are not unmindful of the benefits of education. We are fully appreciative of the fact that education has largely been responsible for our progress in forging ahead and becoming in a few short years the richest, the most powerful and the most influential nation on the face of the earth. Education has made it possible for us to develop and manage successfully a free-enterprise economy of unparalleled vigor and productivity—where ordinary people with average incomes enjoy the benefits of goods, gadgets, and services which are quite beyond the reach of even the wealthiest classes in most countries. What is even more important, with all of our materialistic achievements, we have been able to maintain a system of government under which we have enjoyed freedom to worship, to work, to achieve, to speak our minds freely, and to be rewarded for our efforts, usually in fair proportion to the value of our contributions to the welfare of society.

We should never fail to appreciate the fact that education has been a major contributor to our progress, but it is equally important for us to remember that it has been education of a special type—always under the control and administration of local people—the same people who furnished the children to be educated. The diversity and variety which is assured by the cooperative administration of 48 State governments and a great multitude of local administrative units is a major bulwark against the evils of centralized school administration.

Virginia is one of the poorer States from the standpoint of the per capita income of our citizens. We rank 32d among States and 17 percentage points below the national average. This is recognized in the formula used for distributing funds under the Kelly bill (H. R. 1) and also under the administration bills, S. 889 and H. R. 2086. Under each of these measures there would be only 10 other States which would stand to gain more than the Commonwealth of Virginia. Under the Kelly bill, other States would provide Virginia with 180 additional classrooms and under the administration proposals, S. 889 and 3996, other States

would contribute 150 classrooms. Looking at these propositions purely from a dollars and cents, bricks and mortar standpoint, it would appear that we should be wholeheartedly in favor of increased Federal aid for school construction. This would be especially true of our rural areas which are particularly hard pressed in the matter of providing adequate financial support for school construction and operation. The Farm Bureau has a larger dues-paying membership in these areas than any other general farm organization in Virginia. I need not tell you that farmers have not been doing too well financially in recent years, which make it all the more difficult to provide, from local and State tax sources, the increasingly large sums needed for school construction and maintenance.

Yet in 1949, and every year since that time, in the face of mounting school financing difficulties, our Farm Bureau members have continued to express firm and undiminished opposition to Federal aid to education. This is what they said in 1910:

"We are not unmindful of the advantages which might be gained through a better equalization of educational opportunities among the several States by a program of Federal aid to education.

"However, when these advantages are carefully balanced against the danger inherent in a constantly increasing Federal debt and the extreme likelihood that eventually the educational systems of several States will be increasingly subjected to centralized Federal control through the medium of Federal-aid programs to the States and their political subdivisions, we are strongly of the opinion that a program of Federal aid to education would be a serious mistake.

"We suggest instead that a more prudent course would be for the States and their political subdivisions to carefully examine the possibilities existing at the local level for raising the funds needed for the improvement of educational facilities. Unless and until such possibilities have been carefully explored and fully utilized we can see no justification in requesting that the Federal Government assume obligations and responsibilities which we ourselves may choose to ignore or neglect."

Why do we continue to take this position? Is it because we fail to appreciate and understand the part which education has played in the unprecedented progress which our Nation has made in the few short years since we became a Republic of free people? Certainly not. We know well enough that we could not have developed and successfully managed the complex political and economic institutions of our free-enterprise economy without a school system which made available to each student all of the education which he or she was willing to work for or was capable of absorbing.

Nor are we unmindful of our own Mr. Jefferson's admonition: "If a nation expects to be ignorant and free in a state of civilization, it expects what never was and never will be." We suspect that people generally understand this. It is because of this understanding that they have been willing to make and are continuing to make decisions to tax themselves in the States and localities in order to provide adequate educational facilities. We think the record is a good one.

Information supplied by the United States Chamber of Commerce indicates that:

In 1947, increased enrollments called for 9,500 classrooms; 16,000 new classrooms were provided.

In 1950-51, increased enrollments called for about 20,000 new classrooms; 44,000 were provided.

In 1955-56, increased enrollments called for 33,500 new classrooms; 67,000 were provided.

The most recent estimate of the United States Office of Education for 1956-57 placed the need at 41,800 classrooms; 69,000 were built. It is to be assumed that a certain percentage of these were replacements for old inadequate facilities. Even so, the record still appears to be a good one.

In the 10-year period, 1945-46 through 1955-56, Virginia spent a total of \$346,348,377 in capital outlay on our public school system. During this same period, teacher salaries have increased by 109.4 percent. Expenditure per pupil in average daily attendance has been increased from \$90.25 in 1946 to \$200.00. It is estimated by our State department of education that the costs of needed construction between now and 1960 will amount to a total of \$220 million. We are asking for no assistance in meeting this obligation. We prefer doing it in our own way without either assistance or interference.

Hardly a day passes without a newspaper account of some Virginia locality taking action of one sort or another to provide more adequate provision for the

education of our children. The State government has underway at the present time a thorough-going study of our entire tax structure with the idea of providing a larger measure of State support for our schools. The problem is not yet solved, but we can and will provide a solution and it will be a far better one than any that could be offered by the Federal Government.

We make no pretense that our present educational system is perfect. It is far from perfection. But its imperfections are not all traceable to the lack of money. One of the Nation's leading school administrators, Dr. H. I. Willett, superintendent of schools for the city of Richmond, Va., recently stated that: "In too many high schools it has been possible for a pupil to elect himself out of an education. Is it true that many pupils select subjects that are easy rather than a program that more effectively utilized their talents?"

This indiscriminate use of elective courses by students seeking the easy way is one of the basic weaknesses of our schools. Is this weakness traceable to a lack of money? It is not. It has come about because all too many parents and pupils have somehow gotten the erroneous notion that education can be bought, paid for, and possessed by anyone who can afford the going price—like a sack of potatoes or a new automobile. The solution to this problem cannot be found in the Federal Treasury. It is a matter of attitude—money is not involved.

If our educational system is to continue to carry out so splendidly the objectives which Mr. Jefferson had in mind, its financing, management, and control must continue to be the direct responsibility of the people who furnish the children to be educated. There is no surer way to shrink, shrivel, and diminish the citizen's interest in education than to take from him the direct responsibility for financing, operating, and controlling the schools where his children are educated. Without this citizen interest, the public schools system will gradually become a thing separate and apart from the lives of people at the community level—control will become more and more centralized and with centralized control will come uniformity—of method, of curriculums, of source material, and in the end, conformity to one single pattern acceptable to the central authority. This is not the pattern of public education that has made the United States an oasis of freedom, plenty, and opportunity in a world that is rapidly becoming a desert of political suppression, police state harassment and economic poverty. The sickening cadence of the goosestep is too high a price to pay for the vaunted efficiency of centralized control. Education without understanding is a very dangerous commodity. The highly literate Hitlerite Germany should be proof enough that education in itself is no guaranty of either freedom or democracy. It takes education of a special sort—decentralized and under the control of the smallest unit of government capable of reasonably efficient administration.

We know, of course, that those who plead for Federal aid say that control will remain with the States and localities. Since when has any responsible legislative body begun appropriating the taxpayer's money without specifying how it is to be used? To our knowledge, this has never been done, and in our opinion, it would be the height of fiscal irresponsibility ever to do it.

Our friends in professional educational circles occasionally ask us, how do you justify your support of Federal aid to vocational education, while you strenuously oppose Federal aid to education as a whole? There is a vast difference between a narrowly specialized phase of education directed toward instruction in technical know-how and the broader field of education in general, the purpose of which, among other things, is to inculcate into the mind of the student a proper understanding of our political and economic philosophy along with the principles of what we might broadly term, "right living." It is in this area of education that centralized control, in the hands of the wrong people, could be disastrous.

Our experience with Federal aid to vocational education, however, has served well to convince us of the complete fallacy of the argument that we can accept Federal aid without Federal controls. Proponents of the Smith-Hughes Act of 1916 argued loud and long that there would be no Federal control. It is interesting to note that regulations propounded under this act, now fill a 108-page book entitled "Administration of Vocational Education." On page 4 of this book we find the sentence, "Each State is required to submit a plan which must meet with the approval of the Federal Office of Education." If no controls are involved we would like to have an interpretation on the meaning of this sentence.

Federal, State, and local taxes are estimated to absorb over 33.1 percent of our total national income in 1957. This is close to the point where inflationary pressures become almost irresistible as wage and salary earners fight to maintain their "tax reduced" living standards, either through demands for higher wages or demands for "free" government services which they were formerly able

and willing to provide for themselves. These pressures singly or in combination could set off a spiral of inflation that would tear at the very foundation of our political and economic institutions.

The Secretary of the Treasury and a former President of the United States are both predicting that unless we follow a more prudent course in public expenditures, we may well bring on a depression that would "curl your hair." In the face of all the storm signals, it seems to us the height of folly for the Federal Government to undertake responsibilities and obligations which traditionally and very properly belong to the States and their political subdivisions.

The thing that we now need above all else, if we are to remain a solvent nation, is prudent economy in the use of tax money. Yet we know that any expansion or extension of Federal grants or the grant-in-aid principle is an infallible method of encouraging extravagance and profligacy in the use of public funds. It is the bargain-sale technique on a grand scale of enticing people to spend more than they can afford for things they can, without hardship, do without.

The Federal Government with its staggering obligations for national defense and other proper and appropriate Federal activities is in no position to either indulge in extravagance or to encourage the States and localities into doing so.

If the Federal Government is genuinely concerned about the shortage of school classrooms, there is a way that it can safely be of great assistance.

It can and should concentrate fiercely on the problem of eliminating extravagance and waste in the expenditure of Federal funds. It can and should unmercifully prune from their recommended budget all proposed increases that cannot be amply justified on the basis of the safety and welfare of the people of the United States.

When this has been done, it will likely be found possible to lessen the burden of Federal taxation enough to enable the States and localities to collect sufficient additional funds to more adequately meet their own responsibilities in the field of public education. This is the traditional way—it is the efficient way and it is the only safe way to insure proper support of our public school system.

Yes, we do indeed face a crisis, but the real crisis is not in our public-school system. The critical issue now before us revolves around the proposition of whether we as a nation have the prudence and the fortitude to deny ourselves the frills in order to hold on to the fundamentals and to match our soaring ambitions with our limited willingness to pay.

Mr. BAILEY. The program for tomorrow is a meeting of the General Education and Labor Committee. That means that the subcommittee will recess until Friday morning, at which time we will complete the hearing of the United States Chamber of Commerce.

Tyre Taylor, counsel of the Southern States Industrial Council, Pedro A. del Valle, Defenders of the American Constitution, Joseph E. Moody, of the Southern Coal Operators Association, and B. M. Miller, of the Constitution Party of Virginia, are listed for hearing in Friday's session.

I hope that the Chair will be able to maintain a quorum of the committee so that we can dispose of the witnesses.

We are hoping to close the hearings by Wednesday of next week.

The committee will stand in recess until 10 o'clock Friday morning.

(Whereupon, at 12:20 p. m., the subcommittee recessed to reconvene at 10 a. m., on Friday, March 1, 1957.)

# FEDERAL AID TO STATES FOR SCHOOL CONSTRUCTION

FRIDAY, MARCH 1, 1957

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON GENERAL EDUCATION,  
OF THE COMMITTEE ON EDUCATION AND LABOR,  
Washington, D. C.

The subcommittee met at 10 a. m., pursuant to recess, in room 429, Old House Office Building, Hon. Lee Metcalf presiding.

Present: Representatives Metcalf, Kelley, Gwinn, and Frelinghuysen.

Staff members present: Fred G. Hussey, chief clerk; John O. Graham, minority clerk; James M. Brewbaker, general counsel; Kennedy W. Ward, assistant general counsel; and Russell C. Derrickson, chief investigator.

Mr. METCALF. The subcommittee will be in order.

The first witness this morning is Dr. Miles.

Dr. Miles, we are glad to have you back representing the United States Chamber of Commerce. And I believe you are back here for the specific purpose of answering a series of questions by Mr. Gwinn. So I am going to turn you over to Mr. Gwinn and have him start his interrogation.

Mr. GWINN. Thank you, Mr. Chairman.

Mr. MILES. Thank you.

**STATEMENT OF JOHN R. MILES, MANAGER, EDUCATION DEPARTMENT, CHAMBER OF COMMERCE OF THE UNITED STATES; ACCOMPANIED BY JOHN HARMON, ASSISTANT MANAGER, EDUCATION DEPARTMENT, CHAMBER OF COMMERCE OF THE UNITED STATES—Resumed**

Mr. GWINN. Doctor, will you identify yourself at this place in the record.

Mr. MILES. Yes, sir. I am John R. Miles, the manager of the education department of the Chamber of Commerce of the United States. And I would like at this time to request permission to have the assistant manager, Mr. John Harmon, here to assist me in any statistics that you may call for.

Mr. METCALF. We are very glad to have you with us, too, Mr. Harmon.

Mr. HARMON. Thank you, sir.

Mr. GWINN. Doctor, when you appear for the United States Chamber of Commerce just what is the nature of that organization, especially with reference to other chambers of commerce in the United States?

Mr. MILES. The United States Chamber of Commerce is a federation, Mr. Gwinn, of some 3,200 local and State chambers of commerce and trade associations, each of which is an autonomous, independent, chartered organization which voluntarily and annually must enter into this federation.

Mr. GWINN. Each year?

Mr. MILES. Each year, sir.

The underlying membership would run to well over 2 million, about 2,325,000 businessmen.

But the point of your question presumably is that this is a federation which is composed of entirely autonomous organizations who speak for their particular groups of constituents in their particular geographic or industrial or economic areas, aside from the fact that we respect the consensus of their opinion in the policy statements which are derived from them and approved by them.

Mr. GWINN. Mr. Ballantine testified here the other day and made a brief general statement, as I remember it, without regard to any particular States.

Mr. MILES. That is right, sir.

Mr. GWINN. To what extent was he limited in the scope that he could cover in regard to the other chambers?

Mr. MILES. We speak for the national scene, the consensus of the business community of the Nation, but not for the individual State organization which is, as I have said, an autonomous organization which is much more intimately and directly acquainted with all of the conditions, statistics or facts related to that area.

Mr. GWINN. Of course, your constituent members are not all chambers of commerce?

Mr. MILES. That is right, sir.

Mr. GWINN. There are many more other associations than there are chambers, I suppose.

Mr. MILES. There are many trade associations, approximately 600 of whom belong to our federation.

Mr. GWINN. I wanted to get that straight.

How long have you had an education department in the chamber?

Mr. MILES. Mr. Gwinn, the chamber has been continuously concerned about manpower development and education since its inception.

Mr. GWINN. You conduct your own educational programs across the country?

Mr. MILES. Yes, sir.

Mr. GWINN. Do you have conferences regarding the improvement or support of education?

Mr. MILES. Oh, yes indeed, sir. The chamber of commerce is constantly encouraging the local and State chambers and trade associations to recognize the importance of education.

I might mention the fact that the relationships of educational levels in the various units of Governments throughout the country to their economic conditions has been one of our basic studies, and we have twice developed brochures on this general subject of education as "an investment in people" to document the importance of education to representative government and a competitive enterprise system. And we are constantly endeavoring to bring about greater understanding of the local and State responsibility entailed in this con-

tinuous development of our very unique American school system of 48 State school systems.

Mr. GWINN. Then when you appear as a United States Chamber of Commerce against the particular bills pending before this committee you appear for your concept of education?

Mr. MILES. We appear, in our opinion, sir, in the best interests of the boys and girls and of American education, yes, sir.

Mr. GWINN. You are against this particular bill because you think it is not in the best interests?

Mr. MILES. That is correct, sir.

Mr. FRELINGHUYSEN. May I interrupt, Mr. Gwinn?

Mr. GWINN. Yes, sir.

Mr. FRELINGHUYSEN. I have just a very brief question.

You are opposed to a particular bill or you are opposed to any bills before the subcommittee?

Mr. MILES. At the moment, Mr. Frelinghuysen, of course we presume we are testifying in reference to the construction aid bills.

Mr. FRELINGHUYSEN. And you are opposed to any construction aid bills, is what I am asking.

Mr. MILES. Those which have been discussed here, sir, I can say yes inclusively.

There is the possibility that if a completely clear definition of the nature of any problem that may exist were to be presented, and an equally clear definition of the efforts of the States and their communities were to be available, as in the case of the Federally impacted efforts, Mr. Frelinghuysen, there would be a restudy of the propitiousness of any Federal undertaking of such more limited and better defined nature. But that is not the case with any bill that we now know to be before this committee.

Mr. FRELINGHUYSEN. It is not completely clear to me just what you just said.

Certainly the Congress would not be able to act on many things if we had to have a completely clear picture not only of the entire situation which we were attempting to do something about by law, but the results of the law.

Do I understand you to say that the impacted school district legislation does something about a completely clear problem, and that therefore you approve of that kind of assistance, but you disapprove of this because we fail to define the need?

Mr. MILES. That is part of the story, certainly, Mr. Frelinghuysen.

Where in your federally impacted program the individual community is asked to identify exactly what problem it has and to report on a group of specific criteria to and through the State Department of Education to the United States Office of Education, and where there is a clear responsibility of the Federal Government because of the activities of the Federal Government, we have a very different situation, I am sure you will agree, than in the general and vague situation before us.

Mr. FRELINGHUYSEN. They are comparable situations. The reason for action in this case may be the failure of State or local governments to do as much as they might do, and therefore the Federal Government has decided to encourage them to do more.

But it seems to me the basic approach is the same.

I would think that those who argue against a general construction program would almost surely, if they are going to be consistent, have to argue against not only a construction program but an operation and maintenance program in the federally impacted areas.

The reason for action may be somewhat different, but the type of assistance is very similar.

The protection which is going to be provided to insure against Federal control will certainly be at least as great in the general construction program as it is under the impacted school districts program.

Mr. MILES. We must agree with you, Mr. Frelinghuysen, that control is inevitable. We concur with that feeling.

Mr. FRELINGHUYSEN. I certainly do not say that control is inevitable. I say it is very unlikely.

I certainly hope you do not say that I said that control is inevitable.

I hope you are not suggesting that Federal control has resulted on the part of a program which has already disbursed over a billion dollars in Federal funds.

Mr. MILES. Well, there we have the opinion that there is some definite control.

Mr. FRELINGHUYSEN. I would like to see any testimony to that point. I have never heard any testimony from any school district, from any State or from any responsible organization that there has been Federal control of our schools as a result of Public Laws 815 and 874.

Mr. MILES. May I comment that the reason why is that the problem was so much more clearly defined and the outcome so much more definite in the minds of both the local and State and Federal parties.

I may add, I trust, that in the letters which we have sent up to the Hill relative to amendments we have expressed our wish that, rather than the grants, there might be some arrangements by which the Federal assistance, which is really not assistance, were to be made in lieu of—

Mr. FRELINGHUYSEN. Really not assistance?

Mr. MILES. It is not assistance in the sense of doing something for which the Federal Government was not responsible or had no control over.

Actually the Federal activities which brought about any situation you might wish to use as an illustration clearly caused whatever impact existed in that particular region.

Mr. FRELINGHUYSEN. I really do not follow your reasoning there.

Mr. GWINN. Will the gentleman yield?

Mr. FRELINGHUYSEN. I will be glad to yield back. I do not want to interrupt your testimony, but I don't understand your reasoning.

It seems to me President Eisenhower has defined the problem. You may think it is not clearly enough defined. But it seems to me that is no reason why we necessarily should feel paralyzed to act.

We have had a clearly defined problem in both areas. We have already acted in one, and I do not see how, because you say it is not as clearly defined as we have had in another area, that we should not act in this case.

I do not want to extend it unnecessarily.

Mr. GWINN. May I interrupt before you go ahead.

May I clarify or try to clarify your points by saying, as I understand your position, that you regard the financial help under 815 and 874 not as Federal aid but as a Federal payment of an obligation



to pay for its own children or those that they brought of the military and of the workers and so on at munitions plants and other such plants and put in a community, which is an expense which the community would not normally and rightfully be obliged to assume.

Mr. MILES. That is right, sir.

We consider this is really a part of the defense program, caused by it.

Mr. GWINN. That goes also under a constitutional obligation, does it not?

Mr. MILES. That is right.

Mr. GWINN. This Federal aid program, I take it, you think is not a constitutional obligation.

Mr. MILES. That is right, sir.

Mr. GWINN. That is the ordinary Federal control such as we are considering here.

Now, Dr. Miles, you were about, I think, to indicate or give us an illustration of why you thought this Federal program would transfer responsibility or bring about some measure of control. Would you like to give us an illustration of that?

Mr. MILES. Well, Mr. Gwin, there are at least three aspects of this which are clearly the beginning of Federal control.

First, if you assume that the resources of the States cannot be adequately employed by the people of those States and, therefore, that the Federal Treasury must be the means by which those resources are brought to bear on school problems—which is obviously the implication of a Federal aid bill which collects money from all the people and returns it to all the people;

And, secondly, if you assume that there must be Federal supervision and at least tacit approval of the plans by which a State shall proceed in the development of its school system;

And, third, if, as these bills state, the Federal Government should control the costs of school construction through setting the wage rates for their construction, certainly then in our opinion you are transferring responsibility for taxation, responsibility for making judgments about the expansion of a State school system, and the responsibility for the cost of that development to some Federal administrator.

That, in our opinion, is very undesirable.

We would like to see those judgments made in the localities and the States of the Nation as they have in the past.

Mr. FRELINGHUYSEN. I really don't understand your line of argument.

As I understand it, the chamber's basic position is this argument that there is a transfer of responsibility away from the areas where it should be handled to the Federal Government.

Would you mind explaining just what you mean with respect to your last point as an example? In what respect do you understand that any of these programs would result in the transfer of decisions regarding the expansion of the school systems?

As I understood it, you say they would be made by the Federal Commissioner of Education, I assume.

Mr. MILES. Let me precede my answer to that by saying that we have a clear constitutional or statutory statement in every one of the 48 States about the responsibility of the State for developing or maintaining a system of free public schools, or some phrase of that type.

Mr. FRELINGHUYSEN. And I hope you realize how deeply interested we are in seeing to it that that remains where it is.

Mr. MILES. With that we are in complete agreement, Mr. Frelinghuysen.

Our concern, though, carries over to any tendency to delegate or lose or transfer—you can use any of these words you wish—that responsibility to a Federal administrator and his judgments.

Mr. FRELINGHUYSEN. Where do you see any such trend of delegation or loss of power?

Mr. MILES. Let me repeat it.

If, in the judgment of the Congress, the people of these States are not competent to adequately tax their own resources, and you must resort to increased Federal taxation—and I am sure that the Congress intends to have this paid for and not add to the deficit of the Nation—then you are transferring to Washington this judgment about how much taxation on those resources there should be for Federal educational purposes.

Mr. FRELINGHUYSEN. You are talking about a different problem now, Dr. Miles.

Mr. MILES. That is one of the aspects.

Mr. FRELINGHUYSEN. I would be delighted to talk about that one, too, if you could just finish one before we start another.

Where do you see a transfer? That is where I cannot understand the basic argument of the Chamber. I can understand an argument about whether we should have the prevailing wage provision in the act, and you can make a good case against it. But you do not do that. You are not talking about that. That is one of the points, and I can understand that and I can sympathize with those who argue against that provision.

But I do not understand your argument that there has been any loss, any transfer, any delegation of power away from those areas that are affected because there is a Federal program of assistance.

Mr. MILES. Apparently, my earlier statement was not clear.

The States have a legal obligation and responsibility, according to their constitutions, to tax the people for the purpose of maintaining a system of free public schools. There is no such statement in the Federal Constitution—

Mr. FRELINGHUYSEN. I would be glad to discuss that problem, and I would certainly say that I would hope you would favor a Federal program which would encourage communities and States to use those powers.

Would you encourage or would you favor a Federal program which would encourage the use by the States and the communities of those powers?

Mr. MILES. If there were an emergency which showed this to be required, that is conceivable. But we have seen no such emergency.

Mr. FRELINGHUYSEN. Is that a concession? Because we say there is an emergency. You argue "if there is an emergency."

If there is an emergency and we decide there is, you would see no objection to a program, the basic purpose of which would be to encourage the basic use of those powers on the State level?

Mr. MILES. If that were to be done, it would still constitute a transfer of your judgment for theirs.

Mr. FRELINGHUYSEN. What would?

Mr. MILES. If the States do not come here to testify that they have an emergency situation, then it is your judgment that there is an emergency situation; not theirs.

Mr. FRELINGHUYSEN. Again somebody has got to make a judgment.

Mr. MILES. It is your judgment to tax via the Federal Treasury those resources which are—

Mr. FRELINGHUYSEN. We are taxing up to \$72 billion for a lot of reasons. And we could argue whether we need to distribute as much money as that. I would certainly like to see us spend less. Again, we have got the power to do it.

Mr. MILES. There is no question about the power, sir. That has been established by the Supreme Court, that you have the power. But, I repeat, you have transferred the judgment about the exercising of power to the Federal Government once you substitute your judgment about how much these resources should be taxed and how this money should be distributed.

Mr. FRELINGHUYSEN. You do not see any decision as to how this money should be raised at the State level or if it should be raised. Where do you see any decision that the State or local governments should not be making their own program?

Mr. MILES. The State and local governments are daily making decisions.

Mr. FRELINGHUYSEN. I say, How do you see that the Federal Government is interfering by setting up a program of assistance?

Mr. MILES. By presuming to increase, I assume, the Federal tax burden if you intend to pay for this program through Federal taxes—and I see no alternative—in place of State or local taxation, because that is a very serious problem.

Mr. FRELINGHUYSEN. It is not in place of State and local taxation. Its primary purpose is to encourage those communities to issue more school bonds. It is as simple as that; to encourage them to perhaps increase the local taxes or State taxes in order to meet the obligation.

Mr. GWINN. Will the gentleman yield at that point?

Mr. FRELINGHUYSEN. Gladly.

I think that the more we can discuss it and make some sense out of it the better off we will be.

Mr. GWINN. I do not want to shorten your questioning, but maybe we will clear up some of these points as we go. I have an organized approach to this thing in questions I was going to ask the witness, hoping that it might clarify your point.

Do you know of any illustrations where the community has quit its efforts to raise bonds, depending upon the Federal Government and hoping that the Federal Government will take this responsibility you speak of?

Mr. MILES. Mr. Gwinn, may I preface this by saying these are personal reactions to your question rather than any matter of chamber policy.

We have had in our office several times in the past year men asking the question: "Shall we wait for Federal assistance or shall we proceed to do the things we know we can and should do for our schools?"

I recall one illustration concerning New England last year where a chamber of commerce executive, a school-board member, and a school administrator, came down to ask whether they should proceed

with the third reading of a bond issue in their particular city. It took me almost an hour to show them how little this proposal meant to their State in the first place, and the improbability—because no one knows what the State plan would be and whether the Federal Commissioner would approve it—but, assuming a certain plan and assuming its approval and assuming a distribution of a certain assumed amount of money for that State, I could soon demonstrate to them that the amount of money they would get in their community would be relatively insignificant compared to their proposed bond issue then before their council, which, by the mere third reading, they would issue, because in this particular State a referendum is not required.

When I further inquired, I found that the city had comparatively little bonded indebtedness and could easily have this additional bonding money.

So it was frankly a little irksome to me to even have to spend 2 hours explaining why they had wasted their time coming down here to discuss it.

Mr. FRELINGHUYSEN. To put it briefly, in answer to Mr. Gwinn's question, you strongly suggested they go ahead and that the Federal program was not going to help them.

Mr. MILES. Of course.

Mr. FRELINGHUYSEN. Have you got any illustrations or cases where there has not been action because of anticipation of the fact that the Federal program would be of help? And, again, that is neither an argument here nor there for us to act or not to act. But that is the question that Mr. Gwinn asked you.

Mr. MILES. Well, I took it from Mr. Gwinn—and, if I was wrong, please correct me, Mr. Gwinn—that you were asking about illustrations of delay which may have been influenced by the possible imminence of Federal assistance.

Mr. GWINN. Certainly.

Is it not obvious that, if the Federal Government and the President of the United States come out and announce publicly that they propose a big fund for building school buildings, not only one but almost every community in these United States will be influenced?

Mr. MILES. Mr. Gwinn, might I come very close to home, to Washington, and recall that one of the major arguments used in the county of Arlington last year against their referendum for bonds was: "Let's wait and let the Federal Government do it." That was used by any number of groups in Arlington to attempt to frustrate the will and the ability of the people there to issue bonds. Fortunately, it did not succeed, and they have continued. But there is that constant lure of something for nothing, which, of course, is a fantasy in which we do not concur.

Mr. KELLEY. Will the gentleman yield?

Mr. GWINN. I yield.

Mr. KELLEY. The point is that they are not going to get anything for nothing. They have to match it.

Mr. MILES. That is exactly my point. They do not get anything for nothing, and they should not delay initiating their own undertakings. But there is that delusion that they will, and there are illustrations of this having actually happened.

Mr. FRELINGHUYSEN. I cannot believe that there is a very general misapprehension as to the nature of the Federal program if the rates

of construction have steadily been increasing. We have been talking Federal aid for a long time, and come up with nothing. And with men like yourself who explain that there is little likelihood for a community to get Federal aid when there is capacity to do their own job, and with it clearly recommended in the law that the basic purpose is to aid those areas who do not have that capacity and to encourage the communities to do their own job, or the States where the communities do not have the capacity, it seems to me we are talking around in circles.

I hope maybe we can get on to a different subject.

Mr. MILES. I only wish, Mr. Frelinghuysen, that this were not a serious question. But I had only to observe during the testimony here earlier this week the very rapt attention of the young people sitting in the back of the room to some of the statements being made, and the obvious incomplete truths being considered, and to note the extent to which such incomplete truths are believed by many people. And this is but one of them.

I regret to say that I fear—

Mr. FRELINGHUYSEN. Which is but one?

Mr. MILES. I fear greatly that this idea of getting something for nothing, this concept of the Federal Government having money which does not come from anyone, is much too widespread and too little understood by a considerable number of people.

Mr. FRELINGHUYSEN. I would be willing to argue that I do not think there are many people that believe the Federal Government provides money for nothing. I think that people are more sophisticated these days.

Mr. MILES. I hope you are correct.

Mr. METCALF. Not many people are believing that right now with April 15 approaching.

Mr. MILES. I am certainly not among them, Mr. Metcalf.

Mr. GWINN. I think the chairman is going to rap me down here in a minute, and I want him to remember that I have not been asking all these questions.

I do not know who is going around in circles, as my colleague mentions, but that poor fellow from Massachusetts who spent his money or the taxpayers' money to come down here was not going around in circles. He was influenced by the Federal Government itself, and he was controlled in his pocketbook to some extent at least, paying money to come down here to see about it. Was he not?

Mr. MILES. That is certainly correct.

Mr. GWINN. I do not know what you call that if that is not influence or control.

Mr. FRELINGHUYSEN. If he found out it was no giveaway program it seems to me he can help others at home. I do not think anybody has been giving the impression that it is a giveaway program and we have something for nothing.

I honestly do not think you are gaining much ground with your argument that there is a widespread impression that Uncle Sam has a source of funds that doesn't come from the taxpayer.

Mr. GWINN. I think even you would drag your feet if you thought you were going to be sure to get a gift instead of spending your own money.

Mr. FRELINGHUYSEN. There is no gift involved. And I do not think anyone has ever made a suggestion that any gift was involved.

There, of course, have to be qualifications in order to be recipients of any of these funds, and matching requirements and so on.

Mr. GWINN. How about this test, that you are going to give funds to those school districts that show need plus effort plus what?

Mr. MILES. Inability.

Mr. GWINN. Plus inability to pay for themselves. Is that not an element of control?

Mr. MILES. Of course, it is, sir.

One of the most interesting things in the White House conference, whose reports we read table by table, sir, was the repeated statement by these tables that they wished absolutely no control if there were Federal aid. And then those same tables repeatedly would turn around and make the statement: But there should be no Federal assistance unless need is demonstrated, effort is demonstrated and inability is demonstrated.

And then there were in many instances further limitations illustrating that they did not mean there should be Federal aid without Federal control at all. They know that there couldn't be.

Mr. FRELINGHUYSEN. In the very use of the words Federal control, control of what are you talking about? Are you talking about control of the educational system? Is that what your fear is?

Of course there is going to be fiscal control. If we are going to spend the Federal dollar wisely we have to make some effort to see to it that it goes to those areas that need it most and those States that need it most. And I would certainly like to incorporate an effort formula so it goes to those areas that have made proper efforts.

But that kind of control is not the kind of control that it seems to me you need to worry about or that I need to worry about. It seems to me that is a wise kind of control. I should think the kind of control you would be worrying about is whether there will be control over the financing of our Nation's schools if the Federal Government helps out. And if you could confine yourself to that sort of talk I would think we would be getting some place.

Mr. MILES. May I comment, Mr. Frelinghuysen, that that type of control—

Mr. FRELINGHUYSEN. Which type?

Mr. MILES. Of which you spoke is—

Mr. FRELINGHUYSEN. I am speaking about both kinds. I have talked about fiscal control and control of the educational system.

Mr. MILES. There can be no question if you define a problem which is beyond the States and communities to resolve, there must be some statement in the legislation or the directives to the administrator of that legislation to see that the money which you request appropriated is directed toward the solution of whatever problem you have defined, that is quite clear. It is a part of all of the past Federal programs such as in vocational education or the land-grant colleges.

Mr. FRELINGHUYSEN. Fiscal controls are good, in other words.

Mr. MILES. It is more that fiscal control, Mr. Frelinghuysen.

I have seen the type of forms which the land-grant college presidents complete in which they indicate exactly what the money has been spent for, and also indicate on the reverse side all of the types of

things for which the money has not been spent and to which they affix their names and swear to the correctness of.

Now I am not saying that is improper or undesirable. I think it is inevitable and should happen. But the control is definitely there as to what money was intended to accomplish and as to what it actually did accomplish, and that control came from Washington.

Mr. FRELINGHUYSEN. What kind of control is wrong then? Now you say these controls we are incorporating in these bills are good.

Mr. MILES. It is the overall transfer of direction, Mr. Frelinghuysen, which is the inevitable if you do not clearly define what you are undertaking in your legislation, and clearly define how that problem as defined is to be resolved.

Mr. FRELINGHUYSEN. If we could persuade the chamber that there is no overall transfer of responsibility away from the areas that have traditionally done it, would you favor a Federal program?

Mr. MILES. May I preface that by indicating that we have seen no legislation for which any suggestion that no controls would be—

Mr. FRELINGHUYSEN. You mentioned a whole lot about land-grant colleges and vocational education. Is that a transfer of responsibility that you resent?

Mr. GWINN. I think I must return to my questions.

Mr. FRELINGHUYSEN. May I just get an answer to the question? Then I will be glad to yield.

Mr. MILES. If these many specifics which were presumed to be emergencies were to be added up into a general transfer, yes, we would fear greatly for the diversity of school systems and schools which has characterized our American approach to education.

Mr. GWINN. Dr. Miles, I would like you to refresh my recollection and, I hope, my colleague's, on the figures which have been presented to this committee indicating how many classrooms we are short, if we are short, and how many are being built.

Do you know of any evidence on shortages of classrooms that have been exact in figures that have been presented here such as the figures of the Office of Education?

Mr. MILES. I have heard of none, sir.

Mr. GWINN. Do you know anything about this so-called crisis in school-building shortages that we hear about in comparison with other periods?

Mr. MILES. Well, sir, as our chart here indicated, the deficit of 150,000 classrooms, if correct—and we believe it to be, as our original testimony said, considerably exaggerated—but, if correct, that shortage is less than existed all through the 1930's.

These are Office of Education figures, sir, and their origin and reliability are not certain in our minds. But if they are, sir, there is actually a smaller shortage of classrooms today than existed all through the 1930's if there is a deficit.

Mr. GWINN. By shortage you mean percentage of pupils to classrooms?

Mr. MILES. And the percentage of the so-called shortage to the classrooms in use.

It has always been a point of comment among businessmen of my acquaintance that that would have seemed a much more propitious

time for the Congress to consider undertaking any such construction program because (a) there were comparatively few classrooms being built; (b) there were huge numbers in the construction industry unemployed; and (c) there was certainly an administration which was in sympathy with the pump-priming concept of changing from depression to prosperity, and yet no such proposal at that time when the need was, according to these figures, greater and the propitiousness of a Federal works program of any kind was conceived to be greater—no such program was considered at that time.

Mr. FRELINGHUYSEN. The fact that the Government did not take action 2 years ago on what may have been a problem then, and to which you are calling attention now, is not an argument here nor there for whether we should or should not take action today.

Mr. MILES. It was not considered a crisis in those days, and I was merely responding to Mr. Gwinn's question as to whether there is a crisis. If it has not been considered a crisis in moments such as that, it is certainly much less to be considered a crisis when we are building 70,000 classrooms in a year and spending \$3 billion and have full employment and a very prosperous group of communities and States.

Mr. GWINN. Is this a make-believe crisis or have we had the same kind of crises before? That is the purpose of my question.

Mr. MILES. As far as we are concerned, Mr. Gwinn, the word "crisis" has been greatly overworked for the past 40 years in reference to education.

Mr. GWINN. I cannot agree more heartily. Crisis is a technique.

You have then got figures to show that the ratio of pupils to classrooms over a long period of time has been declining or improving?

Mr. MILES. It has been declining. We have studied it rather carefully by the Office of Education figures.

Mr. GWINN. That is the number of pupils per classroom has been declining.

Mr. MILES. The original and most available figures are the pupils per teacher, and that over the long haul has been declining. It was in excess of 30 at the turn of the century, and, by the actual figures of Circular 490, it is now 26.3.

Mr. GWINN. So we have improved about 4 points?

Mr. MILES. Which would be, in other words, 10 or 15 percent less per teacher.

Mr. GWINN. That would mean that building space, or would normally mean that room space has increased as the pupils per class have decreased, or the pupils per teacher have decreased.

Mr. MILES. That is a fair assumption, we believe, sir.

Mr. GWINN. And you get those figures from the United States Office of Education itself?

Mr. MILES. That is right, sir.

Mr. GWINN. Can you point to them? Is that in 490?

Mr. MILES. Actually in Circular 490, the second column of their table on pages 4 and 5, The second column is total enrollment, number of pupils enrolled. And the fifth column is the number of classroom teachers. By merely dividing those 2 figures you get the ratio which I gave you of 26.3 pupils.

Mr. GWINN. That is as I understand it.

Mr. MILES. That is per teacher.



Mr. GWINN. That is the reason I asked you the question.

Now, Dr. Miles, from those same figures or any other figures, what does the United States Office of Education indicate? That we are building enough classrooms or not? That is enough classrooms to meet the increased enrollment.

Mr. MILES. From their figures, sir, there can be no question but that we are building many more classrooms than the enrollment increases would require.

If you take the enrollment figures as given by the Office of Education for the fall of 1955 in Circular 467, revised, and for the fall of 1956 in Circular 490, you will find that slightly less than 1 million increase is recorded.

Mr. GWINN. Increased enrollment?

Mr. MILES. Increased enrollment.

It is from 30,532,000 to 31,527,000.

Mr. FRELINGHUYSEN. Of course, Dr. Miles, you recognize this is not just a question of providing for enrollment increases. It is a question of providing for obsolescence and clearing up a backlog that has existed for 20 years.

Mr. MILES. Of course, there are many assumptions back of this, one of which has not been mentioned, namely, that with a million enrollment it is an exaggeration to assume that all of that million had to be put into new classrooms.

I am sure that any school administrator that would come before you would indicate that some portion of any enrollment increase in his school system would go into existing classrooms.

But we are going along with the assumption that every one of these had to have—

Mr. FRELINGHUYSEN. Who is making any such assumption but you? You surely will admit that increased enrollment will add to the overcrowded conditions where they exist. That is all the assumption, so far as I know, that anybody has made.

Mr. MILES. Of course, in order to estimate, in response to the question, Mr. Frelinghuysen, as to whether the classrooms built are adequate for the enrollment increase—and that was the question to which I responded—

Mr. FRELINGHUYSEN. There is a lot more involved than just enrollment increases.

Mr. MILES. Of course, sir. But I am pointing out, sir, that that is an exaggeration which we have accepted in our computations, to assume that every one of the increased enrollments must have a new classroom.

Mr. FRELINGHUYSEN. I do not think anyone assumes such a thing. Mr. MILES. But we are accepting it in order to demonstrate the facts.

Mr. FRELINGHUYSEN. Why would you accept an assumption that nobody wants to make? Nobody is arguing that every new child has to get a new classroom.

Mr. MILES. I beg your pardon, but that assumption is made in much of the literature of the Office of Education and the other educational groups. They quote so many classrooms needed for increased enrollment at so many pupils per classroom.

Mr. GWINN. Will the gentleman yield?

Is it not a fact that on the document you are reading from that is exactly the assumption that the document itself makes?

Mr. MILES. That is right.

Mr. FRELINGHUYSEN. Would you read the assumption, implicit or explicit, in the material, if you can put your finger on it?

We won't take all day.

Mr. GWINN. I would like to have that figure. That is the vitals of this whole thing. You asked a question and I think we ought to have it answered.

Mr. FRELINGHUYSEN. I do not think they are going to be able to find it.

Mr. MILES. Mr. Frelinghuysen, may I say that this is a commonly used, crude statistic basic to much of the statement here of the Office of Education.

Mr. FRELINGHUYSEN. I would like to say that I think enrollment increases are a very significant factor. But I think it is a ridiculous assumption to say that automatically new enrollment means there must be new classrooms. And I know of no place that it is argued that that is the case. It does add to overcrowding where it exists, period.

Mr. MILES. I am merely saying, sir, that we are accepting this assumption which runs through all of these estimates.

Mr. FRELINGHUYSEN. I wish you could find out where the assumption appears.

Mr. METCALF. Will the gentleman yield to me?

Mr. MILES. I will be glad to, sir.

Mr. METCALF. I think the witness is pointing out an assumption of the invalidity of these statistical measurements—

Mr. MILES. That is right, sir.

Mr. METCALF. Just the same as it is invalid to present the statistical information that there is an average of 26.3—or whatever it was—students per classroom.

For example, I know dozens of classrooms and districts in my own State where there are only 5 or 6 students.

Mr. MILES. That could be.

Mr. METCALF. And that would require a very overcrowded classroom in some urban area to make up the 26.3 average.

Mr. MILES. Obviously every average has its variations and is strictly a synthetic figure. There is no question about that, sir.

Mr. GWINN. Now, Mr. Miles, will you take the one column there which says additional or excess enrollment. What is that?

Mr. MILES. Well, may I point out, sir, that this discussion we have just had is really, as you have implied, the basis of many of these figures. It is an underlying assumption when you estimate the additional instruction rooms needed.

We have had reports from many States that these figures here of additional classrooms needed are synthetic computations based on estimates of excess enrollment which were themselves not absolutely correct necessarily, divided by some fictitious number such as 30 or 22.

For example, in the State of Georgia they divided what they concluded from these estimates were excess pupils by 30 and came to a number of needed elementary rooms, and by 22 to get the needed number of secondary classrooms.

I am not propounding these as proper, and I trust that the gentleman from New Jersey understands that it is not my conception necessarily. I am merely utilizing the figures which educational statisticians use, and accepting them, trying to show that there are still these large numbers of classrooms that have been built. And they are no statistic, Mr. Metcalf. They are presumably a fact.

Mr. GWINN. I want to get that statistic down because I want to get this so it can be quoted.

If you take the 80,000 classrooms which that form 490 says are needed to take care of the excess enrollment on October 1, 1956, where do we come out? We have got to divide 80,000 into the excess enrollment; have we not?

Mr. MILES. Well, I think what you are referring to, Mr. Gwinn, is the strange contradiction which we noted in our original testimony, that, in spite of having built many thousands more classrooms than were required even by the exaggerated estimate of classrooms for increased enrollment and for the 14,000 which they reported abandoned, even though there were many more classrooms than were needed for those 2 things, the numbers of youngsters reported in here as in excess of normal capacity increased during the year instead of decreasing.

What happened to these other 14,000 classrooms?

How could there be more pupils in excess of normal capacity in a school system such as in Illinois where, at the end of the year, they had built 2,788 classrooms according to this report?

What did they do with those 2,788 classrooms?

They must not have used them for pupils, sir, because the 1956 report shows that they had more pupils in excess of capacity after the 2,788 classrooms were built than they did before they were built.

Mr. GWINN. Do you mean to say that is what that report shows?

Mr. MILES. That is what that report shows.

Mr. GWINN. That is the Circular 490?

Mr. MILES. 490 plus 467.

In 467 the State of Illinois had 24,000, I believe, pupils in excess of normal capacity in the fall of 1955. But in the fall of 1956 they had, according to 490, 52,000 in excess. And, yet, they built 2,788 classrooms during the year and had no increase in enrollment.

According to the actual figures in these two reports, how could that be, sir? We don't understand it.

Mr. GWINN. That is the reason we are asking these questions. And I hope the chairman will note that some witnesses who are studying these figures have come to the conclusion that the so-called post-card questionnaires that we hear about in trying to get these statistics end up with wholly unreliable computations of totals.

Mr. MILES. May I say, Mr. Gwinn—

Mr. METCALF. I hope that the gentleman from New York will make a note of this so-called unreliable computation and ask Mr. Folsom when he comes before the committee next Tuesday.

Mr. GWINN. That is what I propose to do.

Now, Dr. Miles, I want to get a single figure here when you have got this in mind.

Take the 80,000 classrooms and leave out this obsolete stuff for a moment. We have 80,000 new classrooms which the United States

Office of Education says we must have to take care of the excess enrollment.

Now, to get at how many classrooms we need, they have simply taken the excess enrollment; have they not?

Mr. MILES. Well, that in many States presumably was true. But, according to our investigations, Mr. Gwinn, there was a wide variation of approaches to this question taken in individual States, ranging all the way from sheer guesstimates.

Mr. GWINN. I understand.

Mr. MILES. But in which case they would just merely divide what they estimated to be their excess enrollment by 30 and put down a number.

Mr. GWINN. If you divide that by 30 how do we come out between the excess enrollment and the additional classrooms they sit down there?

Mr. MILES. Well, it varies greatly from State to State. Some of them seem quite reasonable where there is about a 30-to-1 ratio. But in others the ratio is quite different.

Mr. GWINN. Let's take the average. Would we have 30 pupils per classroom? Or what would we have?

Mr. MILES. About 28.

In other words, if these 80,000 classrooms are needed, and they quote here 2,295,000 pupils in excess of capacity, that would be, I presume, around 28 to 29 to 1; 30 times 80,000 is 2,400,000.

Mr. GWINN. Assuming we had the buildings in 1956 completed and we have got the additional enrollment of how much?

Mr. MILES. They state here in excess of normal capacity, 2,295,000.

Mr. GWINN. 2,295,000?

Mr. MILES. That is right, sir.

Mr. GWINN. Is there any indication that they have made any allowance for the filtration of the pupils coming in the fall term into already constructed classrooms?

Mr. MILES. That is the strange contradiction which exists for the Nation as well as for the State of Illinois. We build at least 14,000 or 15,000 more classrooms during a year than increased enrollment would require and than the abandoned group would require, and still we end up at the end of the year with more pupils in excess of capacity in these 48 State school systems than we started out with.

What happened to the 14,000 classrooms?

How could there be 14,000 not used for either the increased enrollment, which is an exaggeration, or for abandonment and still have more pupils in excess of classrooms?

Mr. GWINN. Do you have any figures to indicate what percentage of each year's new enrollment is absorbed in old classrooms or in old classes?

Mr. MILES. I have no exact figure there, sir.

I have heard educators vary that from a fourth to a third.

Mr. GWINN. From a fourth to a third.

Mr. MILES. I would not vouch for that figure, sir.

Mr. GWINN. If that is so, then that enormously increases the number of excess classrooms.

Mr. MILES. Of classrooms that should have been receiving the so-called pupils in excess of normal capacity. Yes, sir.

Mr. GWINN. Or if you put it the other way within the realm of building, according to their recommendations on circular 490, more classrooms than we need, if you assume that a fourth or a third are absorbed in old classrooms.

Mr. MILES. We are building many more than we need for enrollment increases.

Mr. GWINN. That is what I mean.

Mr. MILES. Yes, sir.

Of course we recognize, may I add, Mr. Gwinn, that this backlog which exists, and the high mobility of the people in many regions fully justify the continuing high rate of school construction which we are personally encouraging to be continued as initiated by States and local communities.

Mr. GWINN. Let me try to summarize these figures. That is really all I am interested in.

If we are building, as the United States Office of Education report indicates, 69,000—

Mr. MILES. 69,200 this year, sir.

Mr. GWINN. Toward the 80,000 or toward whatever figure they said are needed, then do you think the United States Office of Education is correct? Or has it underestimated the number actually being built to meet whatever deficit there is?

Mr. MILES. All I can say, sir, is that in the past, if you will look at the Office of Education records of estimates, their estimates of enrollment increase have always been high and their estimates of buildings to be constructed have been low.

Mr. GWINN. Always?

Mr. MILES. I should not use the word "always." I should say in the last few years, when we have been concerned about this school-construction affair.

I actually wrote down, for example, the estimated enrollment earlier of the Office of Education for this current school year of 1956-57, which was 32,688,000. The actual enrollment, according to circular 490, is 31,527,000.

Mr. GWINN. That is an exaggeration of the enrollment estimated?

Mr. MILES. But these are projections which I am sure you have in your statistical thinking at times found not to be exactly correct.

Mr. GWINN. But they have overestimated by how many thousand?

Mr. MILES. In this instance by over a million.

Mr. GWINN. By nearly a million.

Mr. MILES. Whereas the prediction for school construction in the year 1955-56, according to circular 490, on page 6, was estimated to be 61,900 classrooms, the current survey showed actually that 62,800 had been built during that year of 1955-56.

Mr. GWINN. And now we have a figure of sixty-nine-thousand-something?

Mr. MILES. 69,200.

Mr. GWINN. Where did that figure come from?

Mr. MILES. That came again from the reports of the States as to the classrooms. I wish to read you the exact wording here:

Instruction classrooms scheduled for completion during the 1956-57 school year.

Mr. GWINN. That is in circular 490?

Mr. MILES. That is correct. That is column 23 in circular 490.

Mr. GWINN. Doctor, where, according to your estimate and your figures, do we come out in the next year? Where are we going from here, having in mind the question of whether we need any Federal aid for schoolroom construction?

Mr. MILES. Well, as we indicated in our original testimony, the reduction in the so-called deficit, according to the Office of Education figures, from 312,000 in 1953 to 169,000 in 1959, constitutes approximately a 50-percent decrease.

We are unable to understand how Secretary Folsom can say that there has been, as I recall his testimony, only a small percent reduction in the deficit when actually in 3 years a 50-percent reduction is apparent in their own figures.

Of course, I would admit readily that the 312,000 figure was not used at the White House Conference where Governor Lane actually used the figure of 375,000. But if his figures were more correct, that merely makes the extent of the reduction of the deficit the greater.

Mr. GWINN. That is right. It shows the unreliability of the predictions.

Mr. MILES. Yes, sir.

By using either set of figures, if we can reduce, with the so-called 1954-55 rate of construction, the deficit in 3 years by 50 percent, then at the 1957-58 rate of construction, which is considerably higher than it was in 1954-55, we certainly should be able to reduce the remaining deficit assumed to exist in another 3 years through the same continuing State and local initiative which we know to exist.

Mr. GWINN. If you take Mr. Adams' figure of the Municipal Bond Association—

Mr. MILES. You get very fine and definite evidence that the rate of construction is not only being maintained but it is increasing.

Mr. GWINN. It is being accelerated, definitely accelerated.

Mr. MILES. Yes, sir.

Mr. GWINN. Measured in terms of the actual school bonds sold and reduced to cash for school construction purposes.

Mr. MILES. Yes, sir.

Mr. GWINN. Is that correct?

Mr. MILES. That is right.

Mr. GWINN. Then do you believe that the United States Office of Education has deliberately misinformed the people of the United States as to the deficit in classroom construction which is so great as to require Federal aid?

Mr. MILES. We do not believe that that has been done, sir.

When you are asked to develop unavailable figures you come to impossible answers. The figures requested of the Office of Education I am sure they made every effort within their limited resources to obtain on as sound a basis as possible. In fact, I happen to know that they checked these the second time. Because of having seen these figures some 2 months ago or more, their unavailability until only a few weeks ago indicates the attempt of the Commissioner to verify—I believe was the word given to me—these figures. They have made every effort.

But you cannot get reliable figures when there is no means of obtaining them in the period available.

A survey of considerable consequence would be required in each individual State. And a few States have undertaken such surveys.

Mr. GWINN. And by that you mean, when you say a survey, an actual on-the-ground personal survey by men competent to do it?

Mr. MILES. With a comparability of criteria, sir. One of the things which is most apparent in our investigations of the figures of the several States is that the criteria as to what is a classroom or when is a classroom obsolescent are utterly different from one State to another. They are different, as one of our friends has said in a report here, within the State as well as between States.

Mr. GWINN. That is between school districts.

Mr. MILES. Yes, sir. And the net effect is that you get a strange contradiction which I have worked out from these figures in Circular 400 that the teacher-pupil ratio is some point or 2 or 3 points above the pupil-classroom ratio in 20 of the States whereas in other States the pupil-classroom ratio is often above the pupil-teacher ratio.

This suggests—and this is only an inference that you can make—that in some States all of the needs or existing rooms which could be called pupil stations in any way were called classrooms, and in others no classrooms—and this is but a conjecture—except those in which actual class recitations were held were called classrooms, thus leaving out the laboratories, libraries, art and music rooms, auditoriums, gymnasiums, et cetera.

I do not know. I am not saying that this is true. But the inference is that entirely different sets of criteria were used between the States, just as in this one instance we were told they were used between the districts within a State.

Mr. GWINN. Then how could you characterize this presentation by the United States Office of Education in the light of the testimony that has been developed on actual figures, such as the sale of bonds that is really going on today?

Mr. MILES. When compared with the demonstrable figures, the demonstrably valid figures concerning the efforts of the States and their communities and the progress they are making, these summaries about the additional classrooms needed from these vague State reports are simply not to be construed as acceptable evidence, in our opinion, sir, and certainly not evidence that would warrant the introduction of a huge multi-billion-dollar program.

Mr. GWINN. Then how would you characterize the prognostications of the United States Office of Education as to the time necessary to catch up with the present enrollment?

Mr. MILES. If the studies from which the original figures come are unreliable, certainly, then, any predictions about what they might suggest in the way of a Federal program are equally unreliable and certainly not, in our opinion, an adequate basis for setting a new precedent in Federal school construction as has been mentioned here by a number of people.

Mr. GWINN. Do you have any evidence as to how this information in answer to the questionnaire the United States Office of Education sent out was gathered?

Mr. MILES. Well, we have, sir, of course, many statements from State officials. May I introduce or quote from a statement from Missouri?

Mr. GWINN. That is from whom in Missouri?

Mr. MILES. This is from Dr. W. R. Brown, research director of the Missouri State Chamber of Commerce.

I found that the State department of education had filled out the United States Office of Education's questionnaire on which these figures were based, but the figures were obtained in cooperation with the Missouri State Teachers Association. They were based on a post-card sampling survey made by the teachers association and projection of earlier survey figures. Therefore, they are subject to most of the criticism that we made of the earlier survey figures in the statement we have filed with the House committee. The Missouri Department of Education did not claim that these figures are any more than a guess or estimate.

Mr. METCALF. Would the witness give us the date of the letter, too?

Mr. MILES. The letter is dated February 15, 1937, and signed by W. R. Brown, research director.

Mr. GWINN. There is no evidence then that the Missouri State Office of Education got any information from boards of education or even from the superintendents of schools themselves?

Mr. MILES. Of course, there is no indication as to whom these post-cards, which were but a sampling in the first place, were sent to in this letter, sir.

Mr. GWINN. You mean by sampling they were not sent to all the school districts in Missouri?

Mr. MILES. That is right. I could also report a conversation with our investigators in Alabama. We deliberately picked those States which seemed to, according to Circular 490, be in the direst need, such as South Carolina, which we quoted in our original testimony, and this one which came from John Ward, who is executive vice president of the Alabama State Chamber of Commerce.

He said he had contacted the State superintendent of education, Mr. Austin Meadows, and that Mr. Meadows definitely said:

We do not know how many school classrooms are in use in the State of Alabama.

When the State superintendent was asked where the figure of 13,646 classrooms, given in the Office of Education Circular 490 as the number of classrooms available at the beginning of the 1936-37 school year, might have come from, Dr. Meadows said that he did not have any idea but that it did not come from him.

Mr. Ward said that the only figure on existing classrooms which he could find was one reported 4 years ago in a survey by the State, that figure being 15,000 classrooms in use.

Mr. Ward added that he knew that at least 2,000 new classrooms had been built since that time.

So he, like the State superintendent, was at a loss to understand how these 17,000 classrooms—that is 15,000 plus 2,000—could have dwindled to 13,646 as reported in Circular 490.

There are any number of additional statements such as from Oklahoma where the reporter indicates—

Mr. GWINN. You mean the reporter from the Oklahoma State department?

Mr. MILES. The general manager of the Chamber of Commerce of the State of Oklahoma, Mr. J. M. Ashton.

He states, referring to the data in Circular 490:

The compiler of the data told me 2 hours ago that the figures 13 through 22 are estimates and are so marked in the letter to the Washington Bureau. Part of the estimate is based on Tulsa and Oklahoma City as detailed above.

It would then seem clear and more honest if many of these columns were headed "Estimated Number of This or That" rather than the



actual number. It does not say estimated additional classrooms needed. It says additional instruction rooms needed. And I do believe we are entitled to have a more clearly stated picture.

Mr. GWINN. Then it is not an estimate for the State as a whole but an estimate on Oklahoma City and Tulsa where the need, I suppose, is the greatest.

Mr. MILES. I will read from the two paragraphs which I omitted:

This morning I checked with the Oklahoma State Board of Education and went over in detail the data submitted to the Federal bureau on education. \* \* \*

The Oklahoma data were based mainly on Oklahoma City and Tulsa where there is a temporary double session due to shifts in population. Tulsa is rapidly taking care of its temporary shortages of classrooms. Tulsa is building 2 high schools and 4 grade schools.

Oklahoma City has one overcrowded school—the Edison elementary—where double sessions are being used pending completion of the new facilities. No other community reports crowding.

Those are quotes from Mr. Ashton's letter of February 13, 1957.

Mr. GWINN. And that is from the department of education in the State of Oklahoma?

Mr. MILES. Yes, sir.

Mr. GWINN. Do you have any others?

Mr. MILES. Yes, sir. I could continue this.

We, of course, only made a sampling of this and made no attempt in this short period of time since—

Mr. GWINN. Would you submit then the rest of them for the record?

Mr. MILES. I would be happy to, sir.

Mr. METCALF. Along with the three letters that you have read excerpts from. Submit them all for the record.

Mr. MILES. All right, sir.

Mr. METCALF. Without objection, they will be admitted.

(The material referred to follows:)

MISSOURI STATE CHAMBER OF COMMERCE,  
Jefferson City, Mo., February 15, 1957.

Mr. GEORGE MARCOTT,

*Manager, State Chamber of Commerce Department,*

*Chamber of Commerce of the United States, Washington, D. C.*

DEAR GEORGE: In response to your inquiry concerning the procedure used in obtaining the Missouri figures for the United States Office of Education survey on classroom shortage as of last September, I checked with the State department of education.

I found that the State department of education had filled out the United States Office of Education's questionnaire on which these figures were based, but the figures were obtained in cooperation with the Missouri State Teachers Association. They were based on a post card sampling survey made by the Teachers Association and projection of earlier survey figures. Therefore, they are subject to most of the criticism that we made of the earlier survey figures in the statement we have filed with the House committee. The Missouri Department of Education did not claim that these figures are any more than "a guess" or estimate.

The State department has conducted a comprehensive survey of the classroom situation and the results of that survey are now on punchcards, but the figures are not yet available. As soon as they become available, we will pass them on to you.

Please continue to keep us advised of how we can be of assistance in this matter.

Sincerely yours,

W. R. BROWN, *Research Director.*

[Telephoned communication]

FEBRUARY 19, 1957.

Mr. John Ward, executive vice president of the Alabama State Chamber of Commerce, said that he directly contacted the State superintendent of education, Mr. Austin Meadows, and that Mr. Meadows definitely said:

"We do not know how many school classrooms are in use in the State of Alabama."

The State superintendent said that he did not have exact figures and doubted whether anyone else did.

When the State superintendent was asked where the figure of 13,046 classrooms, given in the Office of Education Circular 400 as the number of classrooms available at the beginning of the 1956-57 school year, might have come from, Dr. Meadows said that he did not have any idea but that it did not come from him.

Mr. Ward said that the only figure on existing classrooms which he could find was one reported 4 years ago in a survey by the State, that figure being 15,000 classrooms in use. Mr. Ward added that he knew that at least 2,000 classrooms had been built since that time. He, like the State superintendent, was at a loss to understand how the 17,000 (15,000 plus 2,000) classrooms could have dwindled to 13,046.

Mr. Ward, furthermore, said that the 11,354 classrooms reported in Circular 490 to be needed in the State of Alabama were a projection of the earlier State survey which was primarily "wishful thinking about ideal situations" rather than a statement of exact needs.

Mr. Ward said that at this moment interim committees are meeting to develop recommendations for the State legislature which will meet in May. These recommendations, Mr. Ward said, would probably include an amendment to the constitution to enable counties to increase taxes for schools by majority vote of the people.

Mr. Ward added, however, that a constitutional amendment to change taxing power in local districts was turned down by a large majority vote last fall.

Mr. Ward further added that he felt that these interim committees would encourage local communities to raise their assessed valuations since the local level of government was doing the least to support education.

CHAMBER OF COMMERCE OF THE STATE OF OKLAHOMA,  
Oklahoma City, February 13, 1957.

MR. GEORGE MASCOTT,  
*Chamber of Commerce of the United States, Washington, D. C.*

DEAR GEORGE: Received your informative special delivery letter dated February 12, relative to the Federal aid to schools.

This morning I checked with the Oklahoma State Board of Education and went over in detail the data submitted to the Federal bureau on education. Your duplicate matched the Federal report.

The Oklahoma data were based mainly on Oklahoma City and Tulsa where there is a temporary double session due to shifts in population. Tulsa is rapidly taking care of its temporary shortage of classrooms. Tulsa is building 2 high schools and 4 grade schools.

Oklahoma City has one overcrowded school—the Edison elementary—where double sessions are being used pending completion of the new facilities. No other community reports crowding.

The compiler of the data told me 2 hours ago that the figures 13 through 22 are estimates and are so marked in the letter to the Washington bureau. Part of the estimate is based on Tulsa and Oklahoma City as detailed above.

If you want a copy of the Washington report, wire me and I think I can supply you with a photostat copy. In that case you will have a copy that you can use openly. Please advise.

Cordially yours,

J. M. ASHTON, General Manager.

Mr. MILES. May I state, sir, that this statement from Mr. John Ward was a report via telephone conversation which I had with Mr. Ward, which my secretary took down on February 10, 1957.

**Mr. METCALF.** If you will make a note on that memorandum that it is a memorandum of a telephone conversation it will be evaluated as such.

**Mr. GWINN.** Dr. Miles, would you care to express an opinion as to why the President made a clear-cut request for a Federal program of aid for classroom construction?

**Mr. MILES.** Well, Mr. Gwinn, I presume it is possible for even a President to be misinformed about a set of conditions.

If both President Eisenhower and Mr. Folsom base their views on these Office of Education figures—and we know of no other source of information about this situation that has been added up presumably on a national scale—it is conceivable that his encouragement is due to a misunderstanding of the extent of the State and local action that is taking place in building classrooms.

**Mr. GWINN.** Do you know whether this questionnaire was sent out having in mind at all the possibility that those figures might be used for appropriations by the Congress of the United States, and that the President might speak on them? If you do not know I do not want an answer.

**Mr. MILES.** No, sir; I do not know, except that it is quite coincidental in timing.

**Mr. GWINN.** Well, I understand that this questionnaire that went out was purely an annual, routine matter that had been going on for years before.

**Mr. MILES.** I believe that this is the second year when this exact type of survey has been made by this particular department of the Office of Education, and that the earlier survey may have come from another section of the Office of Education. That is only my understanding.

**Mr. FRELINGHUYSEN.** Well the gentleman yield briefly on that point?

**Mr. GWINN.** I will.

**Mr. FRELINGHUYSEN.** It seems to me a reasonable implication that a questionnaire sent out by the Office of Education would be used to prepare statistics which would be similar in nature to the statistics which the President relied on in two previous messages pointing out that there was a serious national shortage of classrooms. Both in 1955 and in 1956 he used the material based on Office of Education compilations. So it would be a reasonable conclusion to think that the same purpose was intended for the statistics compiled in the most recent questionnaire; would it not?

**Mr. MILES.** I believe that is a fair enough assumption, sir. We must remember that these earlier figures, so often quoted from 1955, were an extension of figures developed in 1952-53 from which Mrs. Hobby, the Secretary of Health, Education, and Welfare, quoted in her testimony of 2 years ago.

**Mr. GWINN.** Would the gentleman yield at that point.

I think it is probably unfair for me to put the question to the witness because we have another witness from the Department itself who will explain this point.

**Mr. MILES.** That is right.

**Mr. KELLEY.** Will the gentleman yield for a question?

**Mr. GWINN.** I yield.

Mr. KELLEY. With all your numerous units throughout the United States, has any of them made a survey at all?

For instance, I come from a city of 20,000 where there is a chamber of commerce. I do not know whether they have made a survey, which they could very well do in that local community. Has that been done anywhere by your organization in the United States? Do you have any accurate figures yourself?

Mr. MILES. May I say, Mr. Kelley, it would be presumptive and I am sure would not be approved by many educators if a business group were to undertake such a survey independently.

I do know of many instances in which our units have cooperated throughout such a survey, as in the city of Dayton, if you would like to have a specific, sir, where the chamber of commerce there directly cooperated all the way through a survey of classroom needs as well as in the development of a bond issue and increase in taxes. And I might add they urged the board of education to enact it before they wanted to do so. The chamber group insisted that they not wait until the fall to have a bond referendum even though it would mean they would need to get a higher proportionate vote of the people if they attempted the bond referendum in the spring, which they did do and which was successful.

Mr. KELLEY. That is in one instance.

Mr. MILES. I could give you others if you would care to have them.

Mr. KELLEY. In other words, what I am trying to determine is this, that your organization comes here now before this committee without having made a survey, and you have not accumulated enough knowledge or information from all of your organizations throughout the United States to say what should be done in the Nation as a whole on schools.

Mr. MILES. May I say, sir, that we are now in the process of developing IBM information from a survey which we started last year, which, in the firsthand tabulation, does indicate that there are, as we have said in our general testimony, some States in which there is a definite need for the relaxation of bonding limitations or the increasing of the taxing powers of communities through State action.

There can be no question but that some States could do much more than they are now doing. And it is our contention that were there as much effort devoted to getting them to foresee their school problems and to bring their tax resources to bear on them, as we must spend in opposing Federal intervention in the same situation, these States and their communities would have gotten underway in using their resources more fully and more efficiently. Part of it is a matter of efficiency as well as—

Mr. GWINN. Georgia would be a good illustration of a State that has done quite a bit.

Mr. MILES. They have had the leadership.

Mr. GWINN. I have 1 or 2 more questions and I am finished.

Do you think there is need on a national scale for legislation to stimulate a greater rate of classroom construction that the States themselves are not taking care of or getting ready to take care of?

Mr. MILES. By the figures we have used right here, sir, from the Office of Education, it is apparent to us that if the present rate of school construction can be continued, this continuing need for addi-

tional classrooms will be taken care of by the States and their communities.

Mr. FRELINGHUYSEN. Have you any idea how soon it might be done?

Mr. MILES. That, again, of course, will vary from State to State. We cannot predict what the Alabama Legislature will do when it meets in May, for example.

Mr. FRELINGHUYSEN. I realize that. But, generally speaking, how soon do you think we might solve our problem?

Mr. MILES. It could be accomplished in the next 3 years, as we have indicated from these figures. And if these figures are correct they suggest that it will be.

Mr. GWINN. That is all, Mr. Chairman.

Mr. METCALF. Mr. Kelley?

Mr. KELLEY. I have no questions.

Mr. METCALF. Mr. Frelinghuysen?

Mr. FRELINGHUYSEN. Mr. Chairman, I would just like to ask Dr. Miles very briefly again about his basic approach to this whole problem.

As I understand it, the Chamber is opposed or afraid of Federal assistance in this field because of a feeling that there is going to be some kind of transfer of responsibility away from the communities and States.

Mr. MILES. That is in part the cause of our opposition.

Mr. FRELINGHUYSEN. If you could be reassured on those points that the basic interest of the Federal Government is to underline the basic responsibility of the communities to make it easier for them to come up and accept those responsibilities, would it lessen your opposition to the program?

Mr. MILES. Well, of course, before crossing that bridge we would first need to know that there was an emergency situation requiring that such a judgment be made.

Mr. FRELINGHUYSEN. Well, I have no intention of playing the numbers game with you. I certainly would think that there is a good case that could be made pro and con as to the nature of the emergency.

Mr. MILES. All that I can say, sir, is that we will cross that bridge when it comes.

Mr. FRELINGHUYSEN. That is the basic philosophy in what we are attempting to do.

Certainly in other fields we have succeeded in helping the communities solve their own problems, and I would hope that you would agree that if we could do that there isn't any necessity for us to oppose such action on the part of the Federal Government.

Mr. MILES. I would say as a final comment that the field of education is far different from any other field into which the Federal Government has entered in its assistance programs.

It is a far different thing to suggest to a farmer that he must give up a corner of his land to a new Federal highway which will be built on such and such specifications with such and such grade levels, et cetera, than it is to do anything comparable in the matter of consolidation of schools which he may very well need desperately there because he is inefficiently spending his money.

We would still prefer to have that group of judgments and decisions about the changes in State school systems left to his individual

judgment and his counterparts in other areas of that community or State.

**Mr. FRELINGHUYSEN.** Of course, there again it seems to me you are basically misunderstanding what we are proposing by suggesting there is going to be any transfer of that type of responsibility to Washington as the result of setting up a program like this.

The helping in the construction of schools need not result in the basic transfer of decision as to the number of schools, the type of schools, whether they want the schools built or not. It is a way of making those communities solve their own problems instead of having Uncle Sam step in and say we are going to do all the thinking for you and we are going to raise all the money and we are going to provide you with all the money.

Under any of these programs the Federal contribution in the form of direct grants is a comparative drop in the bucket. It still will be under the control of the local communities.

The provision of money is not going to mean they give up any of their independence with respect to the basic things that make our educational system a good one.

**Mr. MILLS.** Mr. Frelinghuysen, I had not intended to introduce this, but, since you have mentioned it, it seems that it should be noted that it is the starting of such a resort to the shortcut through Federal action which is to be most carefully considered regardless of how minute or how small or how carefully you attempt to guard it. And I think the logical conclusion which you must reach if you study the sequence of events in any such started Federal program is that it inevitably grows.

The several economists who appeared on the American Association of School Administrators program only a week or so ago clearly indicated the eventual outcome once you start this process of transferring some small amount of responsibility for the school system to the Federal Government. And they predicted not through a few hundred million but several billions per year.

And these were so-called well-reputed, liberal economists from Harvard University and Princeton.

**Mr. FRELINGHUYSEN.** As a Princeton alumnus, I am glad you brought that in.

I would suggest if you could help us set up a sound program we would not have to fear these bugaboos which, of course, are going to be raised by those who are automatically and unalterably and indefinitely opposed to Federal participation.

We have had the Federal Government in the field of education in one way or another for a long time since this country was founded. So there is no reason why we should be afraid of a program that is soundly conceived, aimed at a specific need.

And I think you are not doing yourselves any great service by suggesting that the President was misinformed and that if you had had his ear perhaps he would not have been backing this program.

There is a national shortage, no matter how much you try to belittle the problem, and I think it is one that the Federal Government can reasonably respond to if the primary purpose is to see to it that the communities have an easier job in solving their own problems.

I have no further questions, Mr. Chairman.

Mr. METCALF. Do you have any further material you wish to submit for the record, Dr. Miles.

Mr. MILES. No, sir; not other than those things which we have taken from the Office of Education.

I might submit for the record this actual contrast between the number of classrooms built each year for the last 10 years and the number of classrooms needed to house enrollment increases at 30 pupils per classroom. Those are Office of Education figures.

Mr. METCALF. Unless there is objection, we will be glad to receive anything you deem informative to the committee.

Mr. MILES. Thank you, sir.

(The material referred to follows:)

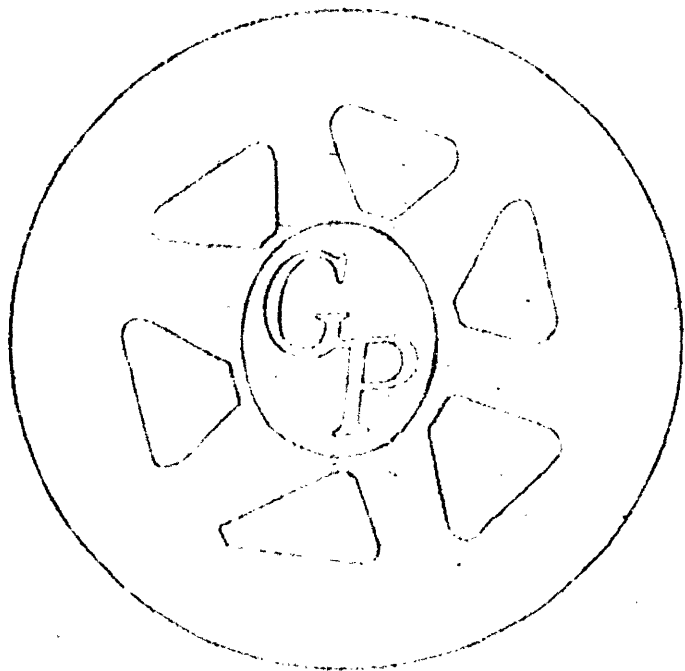
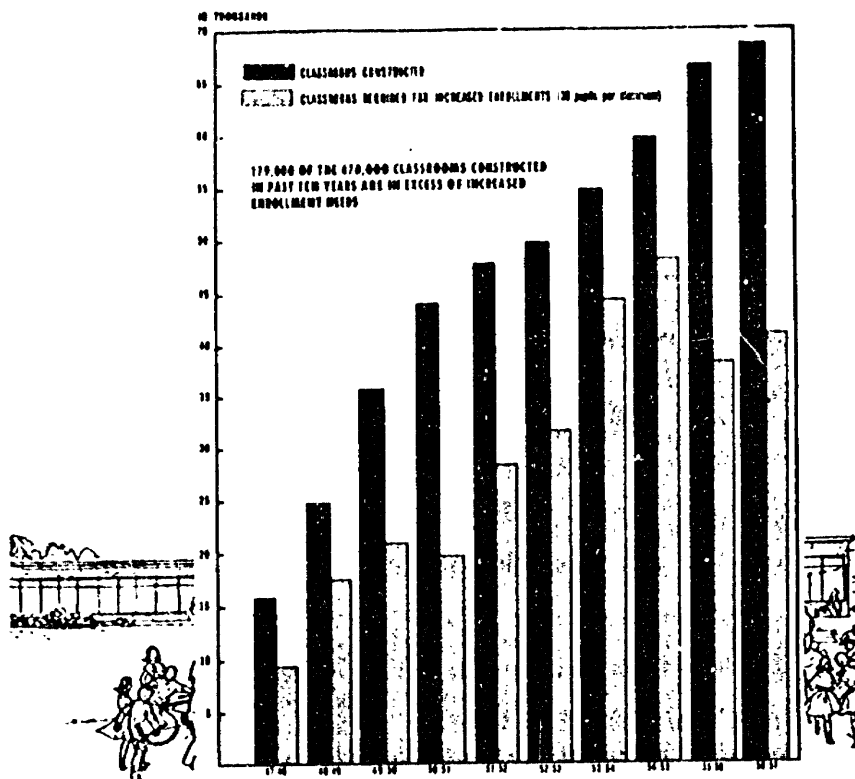


CHART 7.

# school construction

## IS TOPPING INCREASING ENROLLMENT NEEDS



SOURCE: Federal Bureau of Investigation and U.S. Office of Education

EDUCATION DEPARTMENT  
CHAMBER OF COMMERCE OF THE UNITED STATES



## IS THERE A SCHOOL EMERGENCY?

National figures don't indicate it. If there is it hasn't been identified.

Without Federal aid 470,000 classrooms built during the last 10 years.

Under an emotion-charged heading, "School Construction Crisis Facing the Country," much has been said and written by advocates of Federal intervention in education.

Fervid appeals for Federal tax dollars ignore what American citizens have accomplished on their own in providing new school buildings during the last 10 years.

Figures compiled by the United States Office of Education, available to any citizen—including Federal-aid advocates—overwhelmingly discredit arguments for Federal intervention.

The Office of Education traces the resumption of peacetime school-building construction on a hearty scale from the end of World War II when the Government released many critical materials previously reserved for implements of war.

It was then that new classroom additions began to outstrip needs based upon increased enrollments. In 1947, spiraling enrollments required approximately 9,500 new classrooms. School boards all over the Nation countered by building 16,000.

The same story has continued. In 1950-51, increased enrollments would have required approximately 20,000 classrooms—44,000 were built in 1955-56, 38,500 were needed—67,000 were built.

Topping this picture, the Office of Education's most recent estimate placed the need for 1956-57 at 41,300 classrooms—69,000 were built!

To summarize progress of the last 10 years (using 30 pupils as the average attending each classroom), increased enrollments created a need for 200,000 classrooms.

However, 470,000 classrooms were constructed by State and local communities in that period.

This doesn't mean that 170,000 classrooms were not needed and should be considered surplus. It should be recognized that this overage was used to absorb accumulated shortages left over from the depression and war years, and to replace obsolete buildings.

The current estimate of the National Education Association is that 840,000 out of the Nation's total of 2,339,000 schoolchildren—or 2.6 percent—are going to school on a half-day basis.

School-building records of our citizens in the last 10 years demonstrate they are capable of meeting this 2.6 percent crisis as well as caring for enrollment-induced requirements—without Federal tax dollar subsidies to the States.

Write your Congressman today (House Office Building, Washington, D. C.). Tell him that you are opposed to Federal aid for education.

Year	School enrollment (U. S. Office of Education figures)	Increase over previous year	Number of classrooms constructed (U. S. Office of Education figures)	Number of classrooms needed for increased enrollment (30 pupils per room)
1945-46	23,292,941		6,000	
1946-47	23,650,159	358,218	9,000	11,972.9
1947-48	23,914,832	264,673	14,000	9,812.4
1948-49	24,476,658	561,826	25,000	17,737.5
1949-50	25,111,427	634,769	36,000	21,168.9
1950-51	25,708,000	596,573	44,000	19,819.1
1951-52	26,562,676	854,676	48,000	28,855.5
1952-53	27,500,630	937,954	50,000	31,468.4
1953-54	28,636,052	1,135,422	55,000	44,314.06
1954-55 (estimated)	30,292,000	1,655,948	60,000	48,631.6
1955-56 (estimated)	31,443,000	1,151,000	67,000	28,823.3
1956-57 (estimated)	32,688,000	1,245,000	69,000	41,333.4

Mr. METCALF. Dr. Miles, early in the course of your appearance Mr. Frelinghuysen suggested that he would like to have a single instance of where you knew of any detrimental Federal control resulting from

Public Law 815 or 874. I have listened carefully to your testimony and I have not heard you meet that challenge.

If you or Mr. Harmon have any such information of any instance of that sort, I wish that, for the enlightenment of the present occupant of the Chair, you would submit it for the committee.

Mr. MILES. Fine. I will be happy to do that at some later time.

Mr. METCALF. If submitted, we will be happy to insert it at this point in the record, without objection.

Thank you very much.

Mr. MILES. Thank you very much for your kindness.

Mr. METCALF. We will hear one more witness before we recess at noon.

The next witness is Mr. Taylor.

Mr. Taylor, we are very glad to have you before the committee. I see that you have a prepared statement. So, if you will, you may sit down and identify yourself for the record, and the organization you represent, and proceed as you wish.

### STATEMENT OF TYRE TAYLOR, GENERAL COUNSEL, SOUTHERN STATES INDUSTRIAL COUNCIL

Mr. TAYLOR. Thank you, Mr. Chairman.

My name is Tyre Taylor. I appear on behalf of the Southern States Industrial Council, the headquarters of which are in the Stahlman Building in Nashville, Tenn. My address is 1010 Vermont Avenue NW., here in Washington.

The council was established in 1933. Its membership is comprised of industrial and business concerns in the 16 Southern States from Maryland to Texas, including West Virginia, Missouri, and Oklahoma. This membership includes all lines of manufacturing and processing, mining, transportation, and related industries and accounts for very substantial employment throughout the southern region.

We appear here today in opposition to the President's proposal for Federal aid for school construction. We do this pursuant to a policy statement adopted by the council's board of directors in Ponte Vedra, Fla., last May 11-12, and which reads as follows:

The council opposes Federal aid to education, including Federal aid for school construction, basically because public education is a matter which should be controlled by the States and localities and not by the Central Government.

Perhaps the most striking thing about the President's recommendation of January 28 is its total inconsistency with his past utterances. In 1952, speaking in Des Moines as a candidate for the presidency, General Eisenhower said:

The Federal Government did not create the States of this Republic. The States created the Federal Government. The creation should not supersede the creator. For if the States lose their meaning our entire system of government loses its meaning and the next step is the rise of the centralized national state in which the seeds of autocracy can take root and grow.

Again, at the conference of governors in Seattle in 1953, President Eisenhower declared:

I am here because of my indestructible conviction that unless we preserve in this country the place of State government with the power of authority, the responsibilities, and the revenues necessary to discharge those responsibilities,

then we are not going to have America as we have known it. We will have some other form of government.

And in the message which the President sent to Congress on January 28, on Federal aid for school construction, he asserted:

But the Federal role should be merely to facilitate—never to control—education . . . Federal aid must not infringe upon the American precept that responsibility for control of education rests with the States and communities. School-construction legislation should state this policy in no uncertain terms.

It has been said that consistency is the hobgoblin of little minds. If this is true, the President's position on civil rights and Federal aid for school construction can only be taken as evidence of the workings of a very great mind indeed. For, as everyone knows, whatever the Federal Government subsidizes it also—in greater or lesser measure—controls. Commenting on this fact of life, Dr. John J. Tigert, a former United States Commissioner of Education, said—

Mr. FRELINGHUYSEN. If I might interrupt, would you mind if I ask you about this at this point in the record, Mr. Taylor?

Mr. TAYLOR. No, sir. That is all right.

Mr. FRELINGHUYSEN. You have just charged the President with inconsistency in his position.

Mr. TAYLOR. That is correct.

Mr. FRELINGHUYSEN. I would just like you to tell me again, rephrase what you have just said and tell me in what way is there any inconsistency in the position which the President has repeatedly taken and his recommendations to us, again repeatedly, that we enact legislation to help alleviate the nationwide shortage of classrooms.

Mr. TAYLOR. Mr. Frelinghuysen, if the English language means anything, when the President was running for the Presidency in 1952 he was a strong States rights man.

Mr. FRELINGHUYSEN. You have quoted him in 1952. Do you think he still believes in what he said in 1952, or do you not?

Mr. TAYLOR. I merely suggest, sir, that there seems to be a drastic departure from his original position.

Mr. FRELINGHUYSEN. Will you tell me where you think there is any departure.

Mr. TAYLOR. In civil rights and in Federal aid to education.

Mr. FRELINGHUYSEN. Not on civil rights. Right here.

I am talking about school construction assistance.

Mr. TAYLOR. School construction and education have always been since the founding of this Nation considered a State or local function.

Mr. FRELINGHUYSEN. I will gladly wave that banner, too, and I am sure the President will.

Now, having cleared the air with respect to that responsibility, just where is the inconsistency?

Mr. TAYLOR. I think my next paragraph there explains that, where I quote Dr. Tigert in saying that Federal control follows Federal aid as the night follows the day.

Mr. FRELINGHUYSEN. That is a very unhelpful statement in itself. I would like you to be a little more specific.

The wrong kind of Federal aid might result in domination by the Federal Government of the financing of our school system. But if you took a look at the kind of program the President is suggesting and that this committee is considering, I think you could certainly

argue that there is going to be no interference with our long-held tradition of local responsibility.

It is to encourage, to facilitate, to reemphasize the fact that the job must be done at home, that the Federal Government is proposing a program of assistance so that those local communities can do the job somewhat more quickly.

Mr. TAYLOR. Now, sir, if that is the real purpose—

Mr. FRELINGHUYSEN. Will you tell me—

Mr. TAYLOR. Why not simply leave the money in the States and let them keep 10 percent of the income tax, or 5 percent?

Mr. FRELINGHUYSEN. Because that would be a very foolish way of accelerating the process which is presently going on.

Mr. TAYLOR. A very foolish way, but what happens?

Mr. FRELINGHUYSEN. Of accelerating the process.

I did not say it would be foolish to let the money stay in the taxpayer's pockets. Of course, we all want that. But let's take it for granted that we want to build adequate schools for our children, and we would like to build them as quickly as possible. That means the money is going to come out of the taxpayer's pocket.

If the Federal Government can encourage the local communities to do that very necessary even though painful process, I see no inconsistency with what the President has said.

Mr. TAYLOR. Well, sir, you and I do not understand the English language in the same way.

Mr. FRELINGHUYSEN. You explain it to me then.

Mr. TAYLOR. As I said, the President, up until comparatively recently, has been a strong exponent of States rights.

Now you have what is clearly an invasion of States rights, taking over of a State function by the Federal Government.

Mr. FRELINGHUYSEN. Only by a misreading could you come to that conclusion. That is why I do not think you understand, or maybe you just do not want to take a look at what the proposal is.

In what sense is the Federal Government taking over any responsibility that has been or should be handled at local or State levels?

Mr. TAYLOR. May I read this paragraph here from Dr. Tigert, a former Commissioner of Education?

Mr. FRELINGHUYSEN. I don't care.

Mr. METCALF. Proceed.

Mr. TAYLOR (reading):

My experience in handling Federal subsidies for education . . . has taught me that you must either have Federal control and interference or you must have misappropriation of funds and waste. . . . If we embark upon a program of turning over Federal money to schools without any strings attached, it is only a question of time until the waste, extravagance and misuse of these funds will result in a reaction or a change. The alternative is Federal control.

Mr. FRELINGHUYSEN. That certainly does not answer my question.

Mr. METCALF. Did you hear the question that I propounded to the last witness just before he left the stand?

Mr. TAYLOR. Yes, sir.

Mr. METCALF. That was a followup of a question that Mr. Frelinghuyesen had asked him—whether he knew of a single instance in the administration of Public Law 815, which is a construction law, and Public Law 874, which is an operation and maintenance law for our schools, where there had been Federal control to the detriment of the rights of the States.

Now I am going to ask you the same question.

Mr. TAYLOR. I cannot give you any instance now, sir. But the fact that I can't, I think, in nowise weakens my story.

Mr. METCALF. Will you supply an instance for the record if you have knowledge of it?

Mr. TAYLOR. If I can find it, I will be glad to.

Mr. FRELINGHUYSEN. I really would like to get at this, if we could explore it a little more.

You are not, are you, arguing against Federal control; the kind of Federal control which sees to it that the money that is provided by the Federal Government is spent intelligently. What I would like to call fiscal control, which, of course, would have to be incorporated into any Federal program if we do not want to end up by just spraying the dollars around and not caring where they go?

Mr. TAYLOR. What I object to, Mr. Frelinghuysen, is the Federal Government collecting the money in the first place.

If it collects it and spends it, it has got to exercise some control over it.

Mr. FRELINGHUYSEN. Granted, then, that there are certain controls which are wise if you are going to have a reasonable kind of program. Is that so?

Mr. TAYLOR. If you are going to have it. But we are opposed to the whole thing.

Mr. FRELINGHUYSEN. Yes; but you are saying you are opposed to it because you do not want controls. You have got to have certain controls over the dollar. But that would be true of any Federal program.

Any program in which the Federal Government participates has to see to it that the money is spent wisely. Yet the answer to that is not that the Federal Government must give up collecting money and spending it.

Mr. TAYLOR. What happens, you know as well as I do, is that the Federal Government levies a tax, gets revenue, and then sends it back to the States under many conditions and qualifications, and after deducting what is often called the bureaucratic brokerage.

We think the Federal Government is already too big, that it is already too centralized, and that what is needed here is some regard for the provision of the Constitution reserving the rights that are not delegated to the Federal Government to the States or to the people.

Mr. FRELINGHUYSEN. I might say I have more sympathy for that argument, that the Federal Government is too big and that we should not be spending as much money, than I do that there will automatically result from this kind of a program Federal control of our educational system.

Or maybe you are not claiming that there would be Federal control of our educational system.

Mr. TAYLOR. I am not claiming that it will result from this particular thing. But this is merely the camel getting his head into the tent, and once he gets it in it won't be long until the whole camel will be in.

Mr. FRELINGHUYSEN. Is that argument any more valid against this kind of a program than the multiplicity of programs which the Federal Government is presently engaged in?

Mr. TAYLOR. I would say this is just another one. I think the Federal Government—

Mr. GWINN. Another camel.

Mr. TAYLOR. Is engaged in a multitude of things that it has no business messing with at all.

Mr. FRELINGHUYSEN. If it encouraged the building of classrooms, and if it encouraged local communities not to transfer responsibility away from those communities, and if it did not lead, as you charge, to the nationalization of our school system or educational system, would you be for it or against it?

Mr. TAYLOR. I just cannot conceive in my thinking that what I suggest here would not occur, and, so, I am against it.

Mr. FRELINGHUYSEN. We have a program which has been in effect since 1950, and I do not think you are charging that it has occurred there. We have had experience with a comparable kind of program, and perhaps even one that could conceivably be more dangerous with respect to Federal control, in that the Federal Government gives direct funds for the operation and maintenance of our public schools, which you would think might result in control of teachers who are hired.

Mr. TAYLOR. In impacted areas that is right.

Mr. FRELINGHUYSEN. Yes. Over a billion dollars has been spent.

Mr. TAYLOR. As Congressman Gwinn pointed out when the other witness was before you, it seems to me that is more in the nature of a Federal responsibility to take care of its own than it is Federal aid to education.

Mr. FRELINGHUYSEN. The justification for the program is different. I am not arguing that at all. But the nature of the program would be the same. The same kind of safeguards are set up in both cases to avoid any transfer of responsibility back here to Washington away from the local communities.

I fail to see why you do not see that there is a fundamental similarity between the two programs.

Mr. TAYLOR. I think there is a fundamental difference. I think there is a fundamental difference. In one case the Federal Government is responsible for overflowing these communities with people and students.

As is sometimes done in the case of land taken by the Federal Government, it pays a sum in lieu of taxes, and recognizes its responsibility for the elimination of State taxes. In this case it is simply recognizing its responsibility.

But in this thing here you have a nationwide program.

Mr. FRELINGHUYSEN. But again it is simply recognizing that we have a responsibility. The responsibility is of a different kind. In one case it is the equivalent of making the Federal Government a local taxpayer because it has large landholdings or because there are many employees there. And in this case there is a national emergency which exists because, in spite of all efforts, communities and States are still providing too few classrooms for our children.

Mr. TAYLOR. When you say, Congressman, that there is a national emergency and that there is a national responsibility—

Mr. FRELINGHUYSEN. I am not saying it. President Eisenhower has said it.

Mr. TAYLOR. With all respect to him and to you, because you say that does not mean I accept that.

Mr. FRELINGHUYSEN. I certainly respect your right to disagree as to that. I am not arguing that you cannot belittle, and I am not arguing that perhaps it has not been blown up out of proportion. But that is a different thing from saying that it automatically leads to nationalization of our school system, because I think such an extreme statement cannot help but be discounted unless you come up with some concrete evidence of where that has happened in existing programs, or why it should happen in this program.

Mr. TAYLOR. Your existing program, as I have already tried to suggest, is different in kind and degree from this thing here.

Mr. FRELINGHUYSEN. It lends itself to the charge of Federal control even more directly than the proposed program in my opinion.

Mr. GWINN. Will the gentleman yield for a question of him?

Mr. FRELINGHUYSEN. Yes, gladly.

Mr. GWINN. I will relieve the witness a little bit.

Would you say the mere building of a house for tenants by the Federal Government under the Government housing projects has no element of Government control on the way the people live and the kind of morals they practice?

Mr. FRELINGHUYSEN. I doubt if it has any appreciable effect on the morals of anyone who lives in that building or any other building.

Mr. GWINN. The way in which they live.

Would you say there would be regulation as to the conditions under which they would be permitted to continue to live in that house?

Mr. FRELINGHUYSEN. I imagine they live as good American citizens whether the Federal Government provides the funds to build the building or not.

I do not understand the relevance of the questions.

Mr. KELLEY. Would the gentleman yield there?

Mr. GWINN. That is mere money to build. That is the point. It is an illustration. I wonder if you think that has any influence in controlling the thoughts and the ideas of those people.

Mr. FRELINGHUYSEN. Of course, it does not control the thoughts of the inhabitants of the building, if that is the question. I cannot believe that it does.

Mr. KELLEY. The trouble with building the house is that the Government is not building the whole house. The State contributes its share.

I do not see where there should be any control by the Federal Government at all in this matter.

The bill specifically says, the one bill, that there should be no control by the Federal Government in any instance.

Mr. GWINN. In public housing?

Mr. KELLEY. No. I am talking about school construction.

Mr. GWINN. Public housing has the same situation, I think.

Mr. METCALF. May I interrupt and may we get back to the witness? Will you proceed with your testimony?

Mr. TAYLOR. Yes, sir.

The council believes that Federal aid for schools, in whatever amount and however applied, and irrespective of the number and kind of so-called safeguards adopted, is the first step toward the nationalization of the schools. It will be the first step, to use the elo-

quent language of the President, away from America as we have known it and toward a centralized national state in which the seeds of autocracy can take root and grow.

Mr. FRELINGHUYSEN. Could you tell us why, Mr. Taylor?

Mr. TAYLOR. As I said, Mr. Frelinghuysen, this proposal for Federal aid for school construction is, in our opinion, only a first step. Next year or the following year the proponents of this legislation will be back saying that we need Federal money to pay the teachers' salaries, to buy textbooks.

Mr. FRELINGHUYSEN. But because another problem may come up to Congress does not mean we cannot consider the first one.

Mr. TAYLOR. I think that that is one of the great troubles that has existed in the past, and that is that you gentlemen here in Congress have not always looked far enough ahead to see the consequences.

Mr. FRELINGHUYSEN. I am glad that some of you help to try to let us look ahead. But I do not understand why the first step necessarily leads to quite a different second step.

Mr. TAYLOR. I think if you will look into it you will find that wherever the Federal Government has started a subsidy, subsidizing something this way, it has always grown, its power has grown over the thing subsidized.

Mr. FRELINGHUYSEN. You are talking about subsidies as if the Federal Government were going to take over completely the financing of our schools. Let's leave aside the grant-in-aid program, which is the one you could perhaps most effectively level your arguments against.

I wonder how you feel about a program like this. Let us assume for the moment that the Federal program is only to provide a fund whereby the Government might purchase school bonds issued by school districts if those school districts could not issue them themselves at a reasonable rate of interest. In other words, it would guarantee a market for the bonds that could not otherwise be sold for, say 4 percent or less, for the sake of argument.

Is that the kind of program that you also would say should be knocked down?

Mr. TAYLOR. I would say it should be knocked down, Congressman, because, as I will attempt to show here in the rest of my paper, it is not needed.

Mr. FRELINGHUYSEN. Whether it is needed or not, let's assume the need for the moment.

If there are school districts that cannot issue school bonds at 4 percent or less we will assume that there is a need to help them in one way or another, and this might be a response to the need.

You are off on a different tangent if you say there are not any school districts in that category. I happen to think there are.

Let's assume that there is a need and that school districts would respond if the program were set up. Would that be something that you would object to?

Mr. TAYLOR. Yes, sir; we would.

Mr. FRELINGHUYSEN. Why?

Mr. TAYLOR. We will concede that that perhaps would not be as bad as the thing that we are talking about here.

Mr. FRELINGHUYSEN. I do see some differences in the various methods used.

Mr. TAYLOR. It is a difference of degree; not of kind.



Mr. FRELINGHUYSEN. What is the fundamental objection to a program of that kind?

Mr. TAYLOR. The fundamental objection, sir, is that the Federal Government in our view has no place whatsoever in this field.

Mr. FRELINGHUYSEN. I do not understand why if it is going to help the community solve its own problems. What is wrong with the Federal Government helping in that respect?

Mr. TAYLOR. You say it is going to help the community——

Mr. FRELINGHUYSEN. It means the community could issue bonds whereas it could not if it had to pay 5 or 6 percent.

Mr. TAYLOR. You are making quite an assumption when you say it would help the community.

Mr. FRELINGHUYSEN. It certainly would not help the Federal Government.

Mr. TAYLOR. If it comes in and buys the bonds and next year it subsidizes and the next year——

Mr. FRELINGHUYSEN. I am not saying the next year it subsidizes.

Mr. TAYLOR. I know, but you cannot look at this thing with a sharp cut-off point there. You have got to look at it in its totality and what is likely to happen.

Mr. FRELINGHUYSEN. As a matter of fact, we have no alternative but to look at it sharply. We have to look at specific provisions in a particular program. We cannot include all the possibilities that might happen in legislation. And it is probably just as well we can't.

Mr. TAYLOR. We think in this case, at any rate, that you should include the possibility of thought control and the nationalization of the schools and the local communities and States losing all control over them in due course.

I think you are taking a long step in that direction. And we are opposed to taking the first step.

Mr. FRELINGHUYSEN. How about a step that would be a contribution to States to the servicing of debts by State school-financing authorities?

Mr. TAYLOR. However you slice it, Congressman, it comes back to the same thing. We think this is a State problem and responsibility and that the Federal Government has no place in it. And any distance that it goes is too far.

Mr. FRELINGHUYSEN. A contribution to the service of a debt that is incurred by local communities would be objectionable on the same grounds?

Mr. TAYLOR. It would, yes. Maybe not so much so, but it would still be objectionable.

Mr. FRELINGHUYSEN. Thank you, Mr. Chairman.

Mr. METCALF. You may proceed, Mr. Taylor.

Mr. TAYLOR. You have had or will have many witnesses who will testify as to the evils of Federal bureaucratic control, the lessening of State and local responsibility which is always a concomitant of such controls, the greediness of Uncle Sam as a middleman, and the fact that this whole concept of Federal aid is a myth anyway.

Except for a hearty amen to all of these statements, I wish in the few minutes remaining at my disposal to comment briefly on the administration's proposal from another angle which has perhaps not been sufficiently emphasized.

This is that, assuming the need for additional classrooms exists, the States and localities are in a far better position to supply it than is the Federal Government.

In developing this thesis I shall draw rather heavily from a recent report of the Tax Foundation entitled "Facts and Figures on Government Finance, Ninth Edition, 1956-57." I suppose all of you know what the Tax Foundation is. It is an organization engaged in research on expenditures and taxation of Federal, State and local governments.

It is governed by a distinguished board of trustees, of which John W. Hanes and Rosewell Magill, both former Undersecretaries of the Treasury, are chairman and president, respectively.

According to this report—page 184—and in the interest of simplicity, I am going to round these figures—the total of all Federal, State, and local debt outstanding at the end of fiscal 1955 was \$319 billion.

Of this, the Federal Government owed \$274 billion; the States \$11 billion; and the counties, cities, townships, school districts and special districts \$33 billion.

In other words, the total of the State and local debt—\$44 billion—is approximately 16 percent of the total Federal debt of \$274 billion.

Moreover, the Federal debt of \$274 billion does not include payments which will have to be made in the future under an actuarially unsound social-security system, or Government-guaranteed obligations, the latter estimated by Senator Byrd in 1955 at \$250 billion.

Mr. METCALF. Will you let me make a brief interruption for clarification.

That means if all of these Government-guaranteed obligations are defaulted it would cost us another \$250 billion?

Mr. TAYLOR. That is right. Yes, sir.

The direct Federal debt amounts to more than \$1,600 for every man, woman, and child in the United States.

By comparison, the highest State indebtedness per capita is that of Delaware—\$328.12—while the lowest—that of South Dakota—is 29 cents.

The average State indebtedness per capita is \$68.51. If to this is added \$201 local indebtedness per capita, the total is \$269.

Looked at as a percentage of national income, the same glaring discrepancy is found.

In 1955 the Federal debt was 84.7 percent of the national income for that year while State and local debt combined totaled only 13.7 percent.

So what is the picture that emerges?

First, is the astronomical debt of the Federal Government. Leaving out of account the fact that we are operating under a social-security system that is actuarially unsound and will eventually become a charge on the regular revenues and the \$250 billion contingent debt, the \$274 billion Federal debt is equivalent to the full value of all the land, all the buildings, all the mines, all the machinery, all the livestock—everything of tangible value in the United States.

That, in brief, is the Federal picture.

As Senator Byrd has said, we are mortgaged to the hilt.

Now what is the financial condition of the States and localities?

Bad enough, to be sure. Yet, bad as it is, it is far better than that of the Federal Government. As we have seen, the \$44 billion owed

by the States and localities is approximately 16 percent of the \$274 billion owed by the Federal Government.

Per capita, this figures to more than \$1,600 for the direct Federal indebtedness as compared with \$269 per capita representing the indebtedness of the States and localities.

Measured by the standard of ability to pay, the States and localities are thus in a far better position to do this job—whatever its dimensions—than is the Federal Government. As the President's Commission on Intergovernmental Relations stated in that part of its 200-page report dealing with Federal aid to education—

We have been unable to find a single State that cannot afford to make more money available to its schools, or that is economically unable to support an adequate school system.

Thank you very much for this opportunity to present our views.

Mr. METCALF. That completes your statement, Mr. Taylor?

Mr. TAYLOR. Yes, sir.

Mr. METCALF. We thank you.

Do you have any questions, Mr. Kelley?

Mr. KELLEY. I have no questions.

Mr. METCALF. Mr. Gwinn?

Mr. GWINN. No.

Mr. METCALF. Mr. Frelinghuysen?

Mr. FRELINGHUYSEN. Very briefly, Mr. Chairman.

This reference to the condition of the Federal Government with respect to finances and the State and local governments makes me wonder again whether you are aware that the Federal program is not aimed at having the Federal Government take over the responsibility for building schools.

The basic purpose of it is to encourage communities and States to do their own job and to increase their indebtedness; not to increase the Federal indebtedness.

I am sure you do realize that that is the basic purpose of it.

In other words, you quote from the Intergovernmental Relations Commission:

We have been unable to find a single State that cannot afford to make more money available to its schools.

Do you recognize that the Federal program is designed to encourage, among other things, States and local communities to make more money available and not to supply it itself?

Mr. TAYLOR. Congressman, my only comment on that is that I sat and listened to the witness this morning and the colloquy between him and Mr. Gwinn. It seems to me that the States are doing a wonderful job on this.

Mr. FRELINGHUYSEN. I think we can all agree with that statement. And yet we can still say that we would hope to see them do an even better job if we are going to get these classrooms built in a relatively short period of time.

Mr. TAYLOR. They are doing it in the face of the possibility at least that the Federal Government will enter this field and they might get some Federal aid, if you want to call it that.

It is bound to discourage them and slow them down to some extent, I would think. And, yet, they have done a remarkable job.

Mr. FRELINGHUYSEN. It will either slow them down or it may

stimulate. If we can get a Federal program that will stimulate them and do a better job I do not see why your objections would be so strenuous. And that is the basic purpose of this particular program.

Federal aid in general, it seems to me, is not the thing we are either for or against. It is the specific program we are talking about.

Mr. TAYLOR. I am sure that that is what you sincerely believe that is what this Federal aid program is designed for, Congressman. But we cannot agree with that.

Mr. FRELINGHUYSEN. I have no further questions.

Mr. METCALF. Thank you for your testimony, Mr. Taylor. Thank you for appearing before us with your helpful, informative statement.

Mr. TAYLOR. Thank you, Mr. Chairman.

Mr. METCALF. We want to accommodate the rest of the witnesses. There are two remaining. So the committee will recess until 1:30.

(Whereupon, at 12:25 p. m., the committee was recessed, to be reconvened at 1:30 p. m., the same day.)

#### AFTER RECESS

(The hearing was resumed at 1:30 p. m.)

Mr. METCALF. The subcommittee will be in order.

Mr. Frelinghuysen?

Mr. FRELINGHUYSEN. Mr. Chairman, I have received a letter from a superintendent of a school district in New Jersey and I would like permission to incorporate the letter which I have received in the record, because I think it would be of interest to the members of the subcommittee.

Mr. METCALF. Without objection, that may be done. It will be so incorporated.

You will supply a copy of the letter to the clerk of the committee.

(The letter referred to is as follows:)

BOARD OF EDUCATION,  
Long Branch, N. J., February 13, 1957:

HON. PETER FRELINGHUYSEN, JR.,

House of Representatives, Washington, D. C.

DEAR CONGRESSMAN FRELINGHUYSEN: Thank you for your thoughtful inquiry of February 8. You ask whether I have any specific suggestion as to how school-building aid may be allocated to hard-pressed local districts like ours so as to help meet their serious financial and housing problems.

New Jersey's school-building-aid legislation provides an excellent example of equitable aid: \$30 per pupil per year is assumed to be the long-run cost to local districts of providing school-building facilities. A local fair share is based on a mills-per-pupil contribution multiplied by the equalized 100-percent real-estate value. This local fair share is deducted from \$30 multiplied by the number of pupils in average daily enrollment. The resulting dollar difference is available State building aid. If a community is currently paying for school buildings from local taxation it receives this State building aid in cash to offset such cost. Thus, real estate is relieved of a portion of the school-building cost. If a community is not at this moment paying for school-building costs, the amount that is available is reserved by the State until (and if) used for new school buildings.

In our own instance, we are now housing over 25 percent of our pupils in buildings or rooms that should be abandoned as school buildings or classrooms. We will have to continue to so house most of them even after we open our high-school addition. The \$75,000 we will receive from New Jersey for State building aid this year will pay part of the interest on our school indebtedness, but will leave approximately \$25,000 in interest, all of the amortization, and 66 percent of the current budget of \$1,713,826.09 raised from local real-estate taxes.

I feel that the 25 percent (plus) of our pupils mentioned above and those who are so rapidly becoming of school age from the enormous birthrates of 1952, 1953, 1954, and 1955 need good teaching in good schools to develop our greatest and dearest asset. Our local real-estate tax cannot supply enough money to support a good salary scale, maintain good, clean, suitably kept buildings, and simultaneously build to meet enlarged enrollments and replace dangerous and obsolete buildings.

I suggest a grant to local districts based on the New Jersey plan or allocated to States in such a manner as to make it possible for the States to allocate the funds to local districts with regard to local need. Such factors as—

(a) Present local spending for school buildings (including sums bonded or to be bonded).

(b) Increases in pupil population, past and imminent.

(c) Obsolete and dangerous facilities to be replaced to provide safe and efficient instruction quarters.

(d) Ratables to be drawn against in raising funds should be considered.

Not all of the real need is to be found where children have been allowed to go on "double sessions." Some communities have made extensive effort to meet their problems as the children have come along. Such communities deserve consideration so that they can continue to meet the needs of the children—our children.

Your sincere interest in our youth is deeply appreciated by parents and by teachers.

Sincerely yours,

HARMON M. BRADFORD,  
*Superintendent, Long Branch Schools.*

**Mr. METCALF.** The next witness, according to my list, is General del Valle.

Will you come forward? We are glad to have you with us today. Will you give your full name and identify the organization you represent? Do you have a prepared statement?

**STATEMENT OF LT. GEN. PEDRO A. DEL VALLE, USMC (RETIRED),  
PRESIDENT, DEFENDERS OF THE AMERICAN CONSTITUTION,  
INC.**

**General DEL VALLE.** Yes, sir, and I gave it to the other young man who was taking the record. It is a very short statement, sir.

I have my original from which I would read if I would be permitted.

**Mr. METCALF.** Would you prefer to read right through, or would you welcome questions?

**General DEL VALLE.** If it is all right with the honorable gentlemen, I shall be glad to read right through.

**Mr. METCALF.** You will read right through, and then you will be interrogated afterwards.

**General DEL VALLE.** Very well. May I identify myself?

**Mr. METCALF.** Yes, sir, and the organization you represent.

**General DEL VALLE.** Lt. Gen. Pedro A. del Valle, USMC (retired), president of the Defenders of the American Constitution, Inc., and a citizen of Maryland.

**Mr. METCALF.** Go ahead, General.

**General DEL VALLE.** Mr. Chairman and gentlemen, in assessing the bills presented upon the subject of Federal aid to school construction, we have begun with the major premise that they are bona fide and have for their sole objective financial assistance to the several States to enable them to build necessary school buildings and related facilities to meet the educational needs of their people.

Quite logically, we then assumed that:

(a) There is no intention of encroaching upon the constitutional sovereignty of the several States. The Constitution leaves public education in State hands under article 10 of the Bill of Rights.

(b) There is no desire on the part of the Federal Government to assume State and local control over public education in any degree whatsoever.

(c) That there is no intention, implicit or explicit, to favor any group such as building contractors and the like.

(d) That there is nothing intended by the authors of these bills which might lead to taking the people's money to Washington, charging them the overhead for managing it, and then distribute the remainder under a political auction system for votes or favors.

(e) That nothing in these bills is intended to force the hands of the State authorities in the selection of curriculums, nor to oblige them to comply with procedures which they, in the exercise of their constitutional sovereignty, consider unwise.

From the standpoint of these premises and corollary conclusions, we have examined bills of which we are cognizant: H. R. 1, introduced by Mr. Kelley of Pennsylvania, H. R. 3986 introduced by Mr. McConnell, and two practically identical bills, H. R. 2889 by Mr. Scrivner, and H. R. 4201 introduced by Mr. Gwinn.

The bills fall naturally into two categories, the Kelley and McConnell bills, under which elaborate and complex machinery is set up in the Federal Government for the administration of funds provided by Federal appropriations; and the Scrivner and Gwinn bills under which no Federal machinery at all is set up, and the funds, deducted from Federal taxes paid by the States, are administered by the States themselves.

The Kelley and McConnell bills are definitely not in consonance with the constitutional sovereignty of the several States:

(1) Money is collected from the States into the Federal Treasury, and the States are required to come, tincup in hand, to beg back a portion of what they paid in personal and corporation income taxes to pay for their educational requirements.

(2) An administrative overhead, set up under a Federal official, and paid for by money collected from the States, adds to an already enormous and topheavy Federal bureaucracy with functions and powers that encroach severely upon the right of the States to manage their own education.

(3) There is a socialistic overtone, not consistent with our Constitution, in that they "divide the wealth" by penalizing States which pay the most taxes and favoring those which pay least. New York, which pays about 20 percent of all taxes collected by the Federal Government, is obliged to pay \$2 for every dollar it receives as school aid, while Mississippi would have to pay only \$1 for \$8 in school aid.

Mr. METCALF. Which bill is that under?

General DEL VALLE. This is H. R. 1.

Mr. METCALF. Under H. R. 1.

General DEL VALLE. That is the one I made notations on to the greatest extent.

Mr. METCALF. That would be multiplied, of course, with that difference in Mr. McConnell's bill.

General DEL VALLE. Yes, sir; but that remark applies in general to both bills.

(4) They assume that the States themselves are too poor to provide for their own school needs. This is indeed sheer fallacy. Where did the Federal Treasury get the money from in the first place if not from the several States? We have seen statistics in the case of Maryland and the District of Columbia, which are lumped as one for tax purposes. In 1955 nearly 2 billions were collected from these two sources, mostly in personal and corporate taxes. In return, they received in aid and so-called benefits of all kinds about 75 millions from the Federal Government. If State treasuries are poor, gentlemen, the fault lies right here in Washington. These bills tend to aggravate this situation.

Mr. FRELINGHUYSEN. General, if I may interrupt, where do you read into any of these bills that the States are too poor to pay for their own schools?

General DEL VALLE. From the very fact that these bills are presented, one must deduce certainly by implication. Otherwise, why should the Federal Government intervene?

Mr. FRELINGHUYSEN. Well, General, again I do not know whether this committee should be in the process of educating the witnesses. It seems to me the whole problem has developed because there is a capacity which is as yet untapped in the State and local communities. The Federal program is designed to release the capacity which is there. It is not because the States are too poor. So far as I know, there has been no witness who has even come around and said that that is the justification for such a program. It is certainly not because they are too poor. And it certainly will not be an effective program unless we can encourage an even greater effort than we presently are getting at the local and State levels.

General DEL VALLE. May I ask the honorable gentleman where in the Constitution or in anyone's interpretation of the Constitution has the Federal Government got any business intervening in education in the States?

Mr. FRELINGHUYSEN. Since the Constitution was ratified, the Federal Government has taken a direct interest in educational problems. Starting back in the Northwest Ordinance, in the land-grant colleges, and time and again, we have taken an active part in educational matters.

I do not imagine that you are challenging everything that has been done in the past. I do not know what your position is with respect to the Federal assistance which is presently being provided for the construction and operation of certain schools, the so-called federally impacted areas. But there certainly has, so far as I know, been no valid constitutional objection to action by the Federal Government in this field.

General DEL VALLE. Well, that is perhaps a matter of opinion. I believe that the Constitution is quite clear, and that the Federal Government was not intended to introduce itself into matters of education which were left in local hands under the 10th amendment of the Bill of Rights.

Mr. FRELINGHUYSEN. This is no interference, in my opinion, with the educational system itself, this kind of Federal assistance in encouraging further and local effort and State effort. I do not know whether you are challenging the constitutionality of the billion and a quarter which has been expended under authority of Public Laws 815 and 874.

General DEL VALLE. I am indeed, sir.

Mr. FRELINGHUYSEN. And did your organization come around and protest at the time that legislation was enacted and the repeated extensions of that legislation?

General DEL VALLE. My organization is in no position, for lack of funds, to do more than it is doing. And it is now doing everything that it can to try to restore the Constitution, which we believe has been torn to shreds by just such well-intentioned things as this which we are now discussing.

Mr. FRELINGHUYSEN. Yours is solely a constitutional question or position?

General DEL VALLE. Well, my position is constitutional, definitely, sir.

May I resume, sir?

Mr. METCALF. You may resume. I have some questions to ask along this line. If you would prefer to have them wait until after you have completed your testimony—

General DEL VALLE. It would make a more homogeneous document if I were permitted to continue with questions asked afterward. It is very short.

Mr. METCALF. Go ahead.

General DEL VALLE. Well, we will start back here where we left off with the No. 4 objection to these two bills.

They assume that the States themselves are too poor to provide for their own school needs. This is indeed sheer fallacy. Where did the Federal Treasury get the money from in the first place if not from the several States? We have seen statistics, in the case of Maryland and the District of Columbia, which are lumped as one for tax purposes, and in 1955 nearly 2 billions were collected from these two sources, mostly in personal and corporate taxes. In return, they received in aid and so-called benefits of all kinds about 75 millions from the Federal Government.

That explains why the States may not have as much money as they should have.

I believe these bills tend to aggravate this situation.

(5) Under the elaborate controls provided by these bills lies ample opportunity for the exercise of political pressures inconsistent with State sovereignty.

(6) In the maze of regulations required to administer these funds from Washington there lurks the danger that some means could be found to favor special groups, such as building contractors.

(7) These bills, complex and difficult to administer, are expensive as well as of doubtful constitutional validity, and they serve to inflate a national budget which the Secretary of the Treasury has warned is leading us to financial disaster.

In sharp contrast, gentlemen, the Scrivner and Gwinn bills, plainly and simply stated in less than one page, avoid all the pitfalls we have noted in the other two. These bills:

(1) Provide more money for the States than either of the other bills by a simple withholding process enabling them to retain three-fourths of 1 percent of Federal income taxes collected therein.

(2) Keep the Federal Government out of the purely local business of public education.



(3) Reduce the administration's record high budget estimate for fiscal 1958.

(4) Their "keep your money at home and manage it yourself better" feature avoids bureaucratic expense and overhead of Federal management.

In conclusion, gentlemen, let us examine one of the grievances which led to our War of Independence: taxation without representation. There is a growing demand among the people that the Federal Government get out of the giveaway business altogether. If they actually were given a chance to vote on subsidy proposals, the entire nonmilitary Federal-aid program would cease to be. Voters in New York recently killed a public-housing project, and in Illinois, at Park Ridge, they turned down a public-housing project for schoolteachers. Everywhere the people are restive under the impact of the intolerable tax burden and the increased costs of living induced by inflationary Government policies. It is difficult to imagine any voter in his right senses who would vote to tax himself \$1 for every 6 cents benefit. And it is being made plain by people everywhere that they would not vote a single cent for foreign governments which do not collect their own taxes, or to give aid and comfort to the tottering red regimes of Poland and Yugoslavia. History has a way of repeating itself. We are sowing the wind and will surely reap the whirlwind unless we put a stop to taking the people's money to Washington for subsidy programs, charge them overhead for managing it, and then redistribute the residue under a political auction system of votes for favors.

We therefore respectfully enter our decided objection to H. R. 1 and H. R. 3896, the Kelley and McConnell bills, and commend to the honorable gentlemen, all of whom have taken the oath to uphold our Constitution, H. R. 2889 and H. R. 4201, the Scrivner and Gwinn bills.

And I thank you very much for the opportunity of making this statement.

Mr. METCALF. Mr. Gwinn?

Mr. GWINN. No questions.

Mr. METCALF. Mr. Frelinghuysen?

Mr. FRELINGHUYSEN. General, I am, again, puzzled by the testimony that you have submitted. Are you suggesting, in your approval of the idea behind the Scrivner and Gwinn proposals, that the Federal Government does have a responsibility to help out in some way to solve this shortage of classrooms?

General DEL VALLE. The question, sir, is susceptible to various answers. I repeat again that I do not think the Federal Government has any business or right under the Constitution to interfere in public education in the States. But these bills, the Gwinn and Scrivner bills, do not do that. They simply allow the States to keep the money, with which they themselves can help themselves.

Mr. FRELINGHUYSEN. But you are actively supporting certain bills because there is a problem which could be improved if we did something about it?

General DEL VALLE. Well, sir, I am not in the position of making a choice. I was given a choice, so I understood, of 1 of these 4 bills.

Mr. FRELINGHUYSEN. I do not know who suggested you had to have a choice. You could have opposed them all, I should think, with equal ease.

General DEL VALLE. I do not oppose those which do not interfere in public education in the States.

Mr. FRELINGHUYSEN. Again, I am still puzzled whether you understand what sort of a program, what sort of interference, the other bills are suggesting. If there were any transfer of responsibility away from the local community, it would be a different kind of an argument.

General DEL VALLE. I have read these very carefully, sir, and I do not believe there is any puzzlement in my head about this thing. I understand thoroughly what this means, every bit of it.

Mr. FRELINGHUYSEN. Well, you refer, for an example, to subsidies. You are talking now about the grants-in-aid as something which you find objectionable.

General DEL VALLE. I sure do.

Mr. FRELINGHUYSEN. How about the rest of the provisions? Would you believe that it might be of help in strengthening the local responsibilities if the Federal Government agreed to purchase bonds that otherwise could only be purchased at exorbitant rates?

General DEL VALLE. I am not a financier, sir. I am just a simple old soldier.

Mr. FRELINGHUYSEN. Granted that we cannot all be financiers.

General DEL VALLE. And I do not know anything about finance except the simple truth that I have discovered in my research, which was limited to these particular bills.

Mr. FRELINGHUYSEN. This is in connection with this particular bill. I am just asking you if you would approve of the principle whereby the Federal Government would provide that kind of assistance.

General DEL VALLE. I do not believe, sir, that it is essential for the Government, the Federal Government, to intervene in any direct way in public education, which is a sovereign right and duty of the States. And if any State of this Union decided tomorrow morning that they did not want to have any education whatsoever, it would still not be the business of the Federal Government to induce them to change their minds for any reason or for any purpose whatsoever.

Mr. FRELINGHUYSEN. I still would like—but I do not suppose I am going to get it—an answer to the question as to whether the Federal Government is intervening, in your opinion, if it provides money to buy school bonds that otherwise could only be issued at exorbitant interest rates, if it facilitates the issuance of local school bonds.

General DEL VALLE. Sir, I believe the Federal Government is interfering, if it does that. Now, does that answer the question, sir?

Mr. FRELINGHUYSEN. I do not see how, to make it easier for a local school district to issue bonds—how is that an interference that could be considered objectionable?

General DEL VALLE. It is an intervention in a manner from which the Constitution implicitly excludes the Federal Government.

Mr. FRELINGHUYSEN. Well, how about a contribution to the servicing of a debt of a State power which is supporting school bonds? If there was a contribution by the Federal Government together with the State government to the servicing of the debt issued by a State financing authority?

General DEL VALLE. May I answer that in this way: I have been told that the House of Rothschild has a motto which goes somewhat this way: "Let us control the currency of any country, and we care not who makes its laws."

Mr. FRELINGHUYSEN. I am not suggesting controlling the currency. I am just wondering about the specific provision whereby the Federal Government could participate in the servicing of debt.

General DEL VALLE. You are then providing the financial facilities.

Mr. FRELINGHUYSEN. No. I think maybe you misunderstand me. The Federal Government would not provide any facilities. The facilities would be provided by the school districts. The bonds would be issued by the school districts or by a State school financing authority.

General DEL VALLE. And the Federal Government would purchase them?

Mr. FRELINGHUYSEN. No; not in this case. I will repeat myself. In this case there would be a contribution made by the Federal Government toward the interest payments and the amortization of bonds that might be issued at either the State level or the local level.

General DEL VALLE. I still say that that is an intervention in the educational business of the States.

Now, in my particular State, I took the trouble to inquire, and I found no need—and Maryland is not a rich State, but there was no need, according to the authorities of the State department of education, for this Federal aid which you have mentioned, or any other.

Mr. FRELINGHUYSEN. In any form? How about the school-lunch programs? Is that under the Constitution?

General DEL VALLE. Well, that has already produced some controls there—inevitably. And so has the rehabilitation thing, the vocational training.

Mr. FRELINGHUYSEN. Are both unconstitutional?

General DEL VALLE. Oh, quite. Definitely, in our opinion, sir, it is unconstitutional.

Mr. FRELINGHUYSEN. How about the Federal income tax? You talked about "socialistic overtones." Are there socialistic overtones in the income tax?

General DEL VALLE. Oh, quite. Definitely. The income tax was a Marxian product. Karl Marx has got it right there in his book, sir, and he uses it for the destruction of capitalism.

Mr. FRELINGHUYSEN. If we did not have the income tax, how would you suggest the Government raise its revenue?

General DEL VALLE. The same way it used to before it did not have the income tax, sir. Let me tell you what we found in Maryland.

Mr. FRELINGHUYSEN. I just wondered how. Are you going to answer the question? How it would raise the money?

General DEL VALLE. I told you. The same way it did before we had the income tax.

Mr. FRELINGHUYSEN. How?

General DEL VALLE. By the other taxes that we had.

Mr. FRELINGHUYSEN. Such as?

General DEL VALLE. Now, the tax dollar of the citizen of Maryland back 30 or 40 years ago was divided approximately 85 cents for State expenses and 15 cents for Federal, and now it is about 90 cents Federal and 10 cents State.

What does this mean, sir? It means that the Federal Government has extruded beyond the constitutional limits of authority given to it and engaged in any number of activities which were not contemplated in the Constitution and are today unconstitutional, and I challenge them as such.

Now, when you do not have all of these activities, all of this loose money, then you do not have to have the excessive taxation. The excessive taxation is a sort of a vicious circle. You have more money from the States; therefore, you spend more. The growing bureaucracy is terrific. How can any one government control it? It just goes out of control. Once you leave the constitutional limits—and this Government, so help me, has left it long ago—you are on a bad, bad road for any kind of halt to unnecessary spending.

Mr. FRELINGHUYSEN. Of course, under the circumstances, we cannot call the income tax unconstitutional, because we have had an amendment to make it possible.

General DEL VALLE. You are quite right.

Mr. FRELINGHUYSEN. And I was just wondering whether as an ex-military man you realize that the lion's share of our Federal dollar goes to the national defense. Times do change, and there are areas and reasons why we have to spend considerably more money and why the Federal Government has to spend considerably more money than we used to do a hundred years ago. But I do not see how that is particularly relevant to the problem we have here.

If we have an unsolved problem, and if we can help preserve and maintain and perhaps strengthen the traditional ways of solving those problems, specifically building classrooms in this case, I do not see why you should be so very concerned about the role of the Federal Government in strengthening those traditional ways of doing things.

General DEL VALLE. Because the Federal Government, under the Constitution, has no role in that particular thing.

Now, you mentioned the income tax again. That was voted, under the 16th amendment, as an amendment. It was understood at the time that never, oh, never, would anybody get more than 6 percent tax out of it. Well, the Marxian part of it comes in the progressive feature of the tax, where, because A makes \$100,000, he has A pay 95 percent, and B only makes \$200,000 and he gets off with about 15 or 20.

Mr. FRELINGHUYSEN. Is the social-security program, in your mind, unconstitutional?

General DEL VALLE. Definitely socialistic, unconstitutional, and very harmful to the character of the people of the United States, who used to be able to take care of themselves, and now all lean upon the Government.

Mr. FRELINGHUYSEN. Thank you, Mr. Chairman.

Mr. GWINN. I do not think I ought to ask any more questions. My colleague from New Jersey has sort of prodded me into it, however.

Did you by any chance go up to the capital of your State, which is Annapolis, I believe?

General DEL VALLE. I go there quite frequently. I am a graduate of Annapolis. But do you mean: Do I try to get information about the government of Maryland? All the government of Maryland is not located in Annapolis; some of it is located in Baltimore.

Mr. GWINN. Is the State office of education in Annapolis?

General DEL VALLE. No, sir; it is in Baltimore.

Mr. GWINN. What is the name of it?

General DEL VALLE. Well, the office that I approached, through the intervention of an educator, a Miss Ann Metesen, a graduate of Wellesley, who is a doctor of philosophy—the gentleman consulted was a Mr. Sartorius.

Mr. GWINN. Who is he?

General DEL VALLE. Mr. Sartorius, assistant director of finance and research of the State department of education.

Mr. GWINN. Did he say anything, or did you ask him, about students now on double shift, which will require another 500 to 1,000 classrooms altogether, with a total cost of about \$4 million. That estimated total for 5 years for new construction would be \$104 million. And from the books here, I gather that the estimated revenues for school purposes during those 5 years would be \$1,125,000.

General DEL VALLE. I asked specifically: Is the State of Maryland capable of paying its own way and taking care of its educational construction needs? And the answer was: "Yes."

Mr. GWINN. Well, did they ask for any Federal aid, or did they indicate that they would be short without Federal aid?

General DEL VALLE. This gentleman did not indicate that they had. The Maryland Conference on Education, whose report I have here, and which I will offer in evidence or leave with you, also comes to the same conclusion.

Mr. GWINN. A conclusion as to what?

General DEL VALLE. That Maryland does not need to ask for any Federal assistance to handle their educational needs.

Mr. GWINN. Who made that report?

General DEL VALLE. The Maryland Conference on Education. They afterward came down here to Washington, some of them did, and took part in this so-called White House Conference. But there is a nigger in the woodpile there, because they said more or less, as I read between the lines, that if the others took it they would take it, too.

Mr. GWINN. You mean if the other States took it, they would be corrupted, too?

General DEL VALLE. That is exactly the way I would put it, sir.

Mr. GWINN. Well, now, so far as the present political authorities of the State of Maryland are concerned, they are asking no Federal aid; is that a fact?

General DEL VALLE. That is a question I could not answer, sir. All I know is the man that I contacted in the educational field, in the department of education, was definitely of the opinion that no aid was needed for the State of Maryland; that the State of Maryland could navigate its own ship with its own fuel under its own steam.

Mr. GWINN. Does it have any plans in that direction? Does it have any plans by which it proposes to build?

General DEL VALLE. I did not go into that angle of it at all, sir.

Mr. GWINN. You told me something about a surplus in education that they have.

General DEL VALLE. Well, there are two pieces of news that I got; one yesterday and one today. There was an editorial in the Baltimore Sun that said that under the proposed laws we would be taxed \$8 million to get \$8 million worth of Federal aid to education. And the other piece of news was this morning. I get up very early, and this is one of the early broadcasts and questionnaire which the United States Office of Education sent the State office of education of Maryland, making inquiry as to schoolroom shortages?

General DEL VALLE. I did not, sir. But I procured from him the records of the department of education's 89th annual report, which I

have here, and which I will offer to give to the committee, if they would like it.

Mr. METCALF. It might be submitted as a part of the files of the committee, without objection.

Mr. GWINN. What does it show, very briefly, with regard to Maryland's situation about school shortages?

General DEL VALLE. Well, that is what I got from Mr. Sartorius, as I explained. They have figures up there, an estimate of an average of 30,000 new students per year for the next 5 years.

Mr. GWINN. New pupils per year?

General DEL VALLE. That is, in addition to the school population.

Mr. GWINN. In addition to the present population?

General DEL VALLE. Yes, sir.

Mr. GWINN. All right.

General DEL VALLE. They estimate a requirement, to take care of that, of a thousand new classrooms per year, or a total of 5,000 classrooms, at a cost of \$200 million.

I asked them about the backlog, and the backlog is 15,000 I did not hear it on the later broadcasts. I think this was the 6:30 broadcast from WBAL. The kickback from the Maryland Department of Education to the State treasury from unused funds was \$800,000. Now, that sounds terrific to me, and I would not be inclined to say that was so. But I heard that. And there must have been a kickback of some proportion or it would not have come out in that way. So they are not spending all that they have got. What plans they have, I do not know, sir.

Mr. METCALF. Will you identify by title at this point in the record the two books that you are submitting for the committee files?

General DEL VALLE. Aye, aye, sir.

The first is the State of Maryland, Department of Education, 89th Annual Report of the State Board of Education, showing condition of public schools in Maryland for the year ending June 30, 1955.

The other is simply entitled, "Report of the Maryland Conference on Education, June 25, 1955."

Mr. METCALF. Those books will be accepted for the file of the committee for the information and consultation of the members.

General DEL VALLE. Very good, sir.

Mr. METCALF. General, as a lawyer, I am interested in some of your constitutional propositions, as the Defenders of the American Constitution. Is it your position, as you stated to Mr. Frelinghuysen, that the social security law is unconstitutional?

General DEL VALLE. I believe it to be, sir.

Mr. METCALF. We have had a test of the validity and the constitutionality of the social security law in the Supreme Court of the United States.

General DEL VALLE. May I say, sir, that I have differed from the Supreme Court on a number of occasions.

Mr. METCALF. You certainly may.

General DEL VALLE. I may have the temerity to do so, but as a citizen I disagree quite violently with some of their decisions, for instance the decision concerning the Pennsylvania law, which they threw into the ashcan and let loose Mr. Steve Nelson. I differ with them on that, and I differ with them on the validity or constitutionality of social security. There is a principle there, sir, a principle which you

young people perhaps were not brought up with and we oldtimers were brought up with, and that is: Stand on your own two feet, and don't lean on the Government.

We used to have a saying at the Naval Academy—and that is when I was a kid. There was a bosh's mate than used to teach us sailing. We used to go on sailing maneuvers sometimes. It was: "One hand for you, and one hand for the Government, when you are aloft."

Mr. METCALF. Now, General, I will agree with you in your right as a citizen to differ from the Supreme Court. I want to say that I have vehemently differed with the Supreme Court, both in briefs filed with the United States Supreme Court and with my colleagues sometimes, when I was on the Supreme Court of the State of Montana, in minority and dissenting opinions, and feel that that is an important part of our judicial process, this business of differing with the Supreme Court.

But another important and vital part of the judicial process is that somebody have the final determination as to what is and what is not constitutional and valid under our system of government, and that, under the Constitution and under the decisions, the precedents that have been laid down, is the Supreme Court. And as a lawyer and as a former judge, I feel that we should follow those decisions, even though we disagree with them.

Now, we have already determined that Federal aid, in the business of land grants to the States, Federal aid to education in the business of grants to the land-grant colleges, Federal aid in this proposition of vocational and distributive education and agricultural education, is constitutional, by the only body that makes the determination, not the Committee on Education and Labor, or the House of Representatives, or the United States Congress, or the Defenders of the American Constitution, but the United States Supreme Court.

We, I am sure, are following those decisions, if Public Law 874 would be held constitutional and valid. And as members of this committee we have to follow those decisions. So I do not see how you can come in and say that they are unconstitutional in the sense that they are violative—they are the only decisions and the only guides we have.

I agree with you that you have a right to come in and say, as a matter of principle, it is wrong. But we can only be guided by what the Supreme Court has decided is or is not constitutional.

General DEL VALLE. Mr. Chairman, I believe that you are following something that Justice Holmes just put out, that the Constitution was what the Supreme Court said it was.

Mr. METCALF. Very well.

General DEL VALLE. I disagree with that. I believe the Constitution is very explicit, particularly in this article I keep hammering on—that the business of education is not in the hands of the Federal Government. It has been put there, and the Supreme Court may have said, "O. K. it is fine." But I still disagree with the Supreme Court, because it is not in accordance with the written Constitution, which it is my business to defend.

Mr. GWINN. He thinks the Supreme Court may reverse itself.

General DEL VALLE. It has reversed itself so often that some of us believe they sometimes make a mistake, particularly lately.

Mr. METCALF. Until it does reverse itself, I am afraid we have to follow the decisions of the Supreme Court.

As I understand it, your position is not only that this legislation is invalid and unconstitutional, but that any legislation is. You spoke of the school lunch program. Any of this other legislation wherein the tax dollar is expended to help the States is, according to you, also unconstitutional?

General DEL VAILE. I have read and reread—I carry a little pocket copy of the Constitution with me, and if I have not anything else to do, I read it. It is perhaps the greatest human document ever inspired by God. And when we learn to live by it, we learn to live better than any other nation on earth. And when we began to deviate, we began the downward path. And now I do not know how you all feel about it, but sometimes some of our higher up officials have expressed a great apprehension that maybe we are going into the ashcan financially very soon.

Mr. GWINN. Well, you said you did not know how we all felt about it. I want you to know you have got a friend up here, one at least.

General DEL VAILE. I, of course, do not think it is a question of friends or enemies. I think we are freemen, free citizens, discussing these matters.

Mr. GWINN. I mean in connection with your ideas on the Constitution.

Mr. METCALF. Thank you, General.

The next witness is Mr. Miller,

Have you a prepared statement?

#### STATEMENT OF B. M. MILLER, VICE CHAIRMAN, CONSTITUTION PARTY OF VIRGINIA, ARLINGTON, VA.

Mr. MILLER. No, sir.

Mr. METCALF. If you will sit down and identify yourself and your organization and proceed in anyway you see fit, we will appreciate it.

Mr. MILLER. I am B. M. Miller, an Arlington, Va., businessman. I am also vice chairman of the Constitution Party of Virginia.

Mr. METCALF. Go ahead, Mr. Miller.

Mr. MILLER. I appreciate this opportunity of coming here before you gentlemen to speak in opposition to the Federal aid to education bill.

Mr. METCALF. Are you speaking in opposition to all the Federal aid to education bills?

Mr. MILLER. Yes, sir.

Mr. FRELINGHUYSEN. Including Mr. Gwinn's bill?

Mr. MILLER. I have not had an opportunity to study it.

Mr. FRELINGHUYSEN. But you think you are opposed to any bill in principle that would result in the Federal Government taking an interest in educational problems?

Mr. MILLER. Not taking an interest. Any contribution to the public schools.

Mr. FRELINGHUYSEN. Well, Mr. Gwinn's would certainly make the contribution.

Mr. GWINN. Not of Federal Government funds.

Mr. MILLER. I think that the one basic fact that we should keep in mind at all times is that the Federal Government cannot give you anything unless they have first taken it away from you, less an illegal and unlawful handling charge.



In many cases which we have found, the difference between what the Federal Government takes from the States and what they turn back runs as much as 78 percent.

Well, if the loan companies were to insist on such charges, I think you would put them in prison. So, therefore, I do not see why the Federal Government is taking the money away from the States, the people in the States. Because there is where the money is. The Federal Government does not have anything. All they have is a great big debt here that is way up into the billions. So therefore the Federal Government does not have anything, and they get all of their money from the people in the States.

So, in the first place, why do they take it away from them and then give them back part of it? If the Federal Government would stay out of the States and the rights of States, the people within each State can take care of their educational problems.

Furthermore, who knows better how to operate our schools and other things in our State than the people that live within that State? Maryland, out here, has a different problem than what we do over in Virginia. They have different problems down in North Carolina and South Carolina than we have in Virginia. But yet this Federal aid to education bill—they are going to set this up on a uniform basis and try to operate it from the District of Columbia.

Mr. FRELINGHUYSEN. I am not sure I understand what you mean by that. "A uniform basis" and operation "from the District of Columbia."

Mr. MILLER. Well, if you will read these bills you will find that the States will have to conform to a certain standard. Is that not in the bill?

Mr. FRELINGHUYSEN. A standard of what? We are talking about buildings.

Mr. MILLER. That is right.

Mr. FRELINGHUYSEN. There will be no dictation from Washington.

Mr. MILLER. There isn't? Well, what have they done with the farmers?

Mr. FRELINGHUYSEN. What have they done with the farmers?

Mr. MILLER. Yes; they tell the farmers what they can plant and can't plant. Why can't they do the same thing with the schools?

Mr. FRELINGHUYSEN. Because the bill is not written that way.

Mr. MILLER. It does not say they won't. The thing is wide open.

Mr. FRELINGHUYSEN. But it does not say we are not going to control the farmers in this bill, either. It is not relevant to it.

Mr. MILLER. No. But we have seen what the Federal Government will do in this socialistic process with the farmers. And if they can control the farmers, they most certainly can control the schools.

Mr. FRELINGHUYSEN. If we provide funds to help build a school, we can control the educational system of that school?

Mr. MILLER. You say "we provide funds"?

Mr. FRELINGHUYSEN. The Federal Government.

Mr. MILLER. Where will the Federal Government get those funds?

Mr. FRELINGHUYSEN. The Federal Government gets it from tax revenues, the same way any other governmental source does.

Mr. MILLER. They get it from the people.

Mr. FRELINGHUYSEN. There is no argument about that.

Mr. MILLER. All right. Why not leave that money in the States and let the people in the States, that are much more familiar with it, handle it?

Mr. FRELINGHUYSEN. Again, I would be glad to educate you, but I do not think that is our function.

Mr. MILLER. I do not think I needed education.

Mr. FRELINGHUYSEN. Well, I do not know whether that is a rhetorical question. I do not need to answer that. There are lots of good reasons why our Government takes money from the taxpayers and spends it, as you are aware.

Mr. MILLER. Economically? Well, aren't we more capable of operating our schools over in Arlington County and the State of Virginia than a group of people who live over here and work for the Federal Government?

Mr. FRELINGHUYSEN. There is no intention that the people working for the Federal Government would be operating the schools under this program, no even remote possibility.

Mr. METCALF. Mr. Miller, you, in Arlington County, do get money not only for the construction of schools but for operation and maintenance of your schools.

Mr. MILLER. That is correct.

Mr. METCALF. From the Federal Government?

Mr. MILLER. That is right.

Mr. METCALF. And you get it under the theory and under the principle that is carried out, so far as I know, that you are more capable of operating your schools, but that you need some assistance from this Federal taxpayer's dollar, right now.

Mr. MILLER. If the Federal Government did not take so much money out of Arlington County, we would have plenty to replace that \$1 million which we get back.

Mr. METCALF. If the Federal Government did not have such a great big payroll in Arlington, you would have very little money over there.

Mr. MILLER. Well, we got along pretty well before 1940.

In 1955, the State of Texas paid to the Federal Government \$2,000,-245,297, but they got back \$178 million.

Mr. FRELINGHUYSEN. Paid it out?

Mr. MILLER. To the Federal Government; yes, sir.

Mr. FRELINGHUYSEN. In just general taxes?

Mr. MILLER. Yes, sir.

Mr. FRELINGHUYSEN. I do not know what year you said this was. Presumably a lot of this goes to the national defense. It is not just a question of the Federal Government taking it and then returning it to the citizens. Obviously, a good part of the money that is taken from the States is used and does not get back to the State at all. I do not know how relevant that is. The question is whether the Federal use is a good one.

Mr. MILLER. Certainly we need defense, and we also need defense at home.

Mr. FRELINGHUYSEN. And we also need adequately educated children. The disagreement might arise as to how important and adequate the schoolroom is.

Mr. MILLER. Who should determine that? The Federal Government, or the people in the State?

**Mr. FRELINGHUYSEN.** The people in the State are going to continue to do it. I do not see why you think that education is going to be taken over by the Federal Government, because we start a program similar to the one under which your State has received financial assistance. It has not resulted in Federal control of the schools under the existing program.

**Mr. MILLER.** I do not know. When it comes to Federal control over there, we are unable to find out what is in the budget from our superintendent of schools. Of course, on the school board there are four people, and we cannot find out as to any specific item on the budget.

**Mr. FRELINGHUYSEN.** I surely do not suppose you are proposing that Uncle Sam is closing his mouth or their mouths, and that is the reason you cannot find out about the operation of your own school system?

**Mr. MILLER.** If I may carry on—

**Mr. FRELINGHUYSEN.** Well, you are not suggesting that. I will ask it as a question. You are not proposing that the school board is unable to give you figures because the Federal Government forbids it to you?

**Mr. MILLER.** No; but when we cannot get information in this way, how can we get it from the Federal Government when they run the schools?

**Mr. FRELINGHUYSEN.** But they are not going to run the schools any more than they are now.

**Mr. MILLER.** What proof do you have that they will not?

**Mr. FRELINGHUYSEN.** Because we are making a contribution, the same way as we, in certain cases, will make a contribution to build a hospital. It does not result in the Federal Government actually building the hospital or forbidding any information as to the operation or the construction costs of that hospital.

**Mr. MILLER.** The Government just hands out the money, with no restriction, no strings tied to it at all. Is that correct?

**Mr. FRELINGHUYSEN.** I say it goes out under certain restrictions. And I am hoping you do not mean we should not put on some restrictions as to how we should distribute it.

**Mr. MILLER.** As to Federal aid to highways, I find in the State of Virginia that the Federal Government will control the highways in the State of Virginia.

**Mr. FRELINGHUYSEN.** I do not know what that means, and again, as you say, it is off the subject. I do not know how they control the highways. So far as I know the State government has the basic determination of where the highway should go and what the route should be, and the Federal Government, in effect, puts up a certain amount of money, and that is it.

**Mr. MILLER.** When they put up a certain amount of money they are going to have a lot to say about it.

**Mr. FRELINGHUYSEN.** It depends upon what you mean by "a lot to say." In the question of building a classroom they would certainly say, "Do you deserve to get it, or do you not?" And if you do not deserve it, you won't get it.

**Mr. MILLER.** Well over in the State of Virginia, according to the News Leader from Richmond, the first thing is this: The State of Virginia will have to give to the Federal Government under this setup \$9,275,000.

Mr. FRELINGHUYSEN. Which bill are we talking about now, Mr. Miller?

Mr. MILLER. Federal aid to education.

Mr. FRELINGHUYSEN. Which bill? There are a number of different bills and a number of different amounts.

Mr. MILLER. I do not know that he designated the exact number. But it is under Federal aid to education.

Mr. FRELINGHUYSEN. But there is not only one, and if we are talking about a specific amount of money we should know what bill we are talking about.

Mr. MILLER. Which, of course, would mean a tax increase in the State of Virginia, to get this additional revenue.

Mr. METCALF. But we still do not know which bill you are talking about.

Mr. MILLER. I would say this is based upon percentages.

Mr. METCALF. Based upon what percentages? We have several bills before this committee. We have H. R. 1, introduced by Mr. Kelley of Pennsylvania, that provides for a certain amount of money and provides that the distribution shall be in a certain way. We have another one by Mr. Frelinghuysen and Mr. McConnell that provides for a different amount of money, and a very different distribution of the money. And then we have some other bills, such as the one by Mr. Gwinn that he says provides for nothing except withholding, which is another way of gaining the money. And we have variations of all of those bills.

So when you are talking about a specific amount, and an amount that is being withheld from the State, I wish you would tell the committee what bill you are talking about.

Mr. MILLER. Well, he does not state here—of course, Mr. Kilpatrick has the time to look into these things, while I being a businessman, do not have, to run down everything. But if I may, I would like to read just one paragraph here.

Mr. FRELINGHUYSEN. Who is Mr. Kilpatrick, may I ask?

Mr. MILLER. He is the editor of the Richmond News Leader at Richmond, Va.

Mr. FRELINGHUYSEN. And you are reading an editorial written by him; just so that we can have an idea of what you are reading.

Mr. METCALF. And what date was that written?

Mr. MILLER. Wednesday, February 5, 1957.

Mr. METCALF. Now, will you continue to read from Mr. Kilpatrick.

Mr. MILLER (reading):

\*\*\* It does not require vast learning, or so it would seem, to comprehend that "Federal aid" and "Federal funds," and "Federal grants" are mere illusions. In order to return money to the people in their respective States, money must first be taken away from the people in their respective States. Thus the \$0.275,000 a year which Mr. Eisenhower graciously proposes to hand back to the people of Virginia (provided Virginia puts up \$6 million a year to get it) is \$0.275,000 which the Federal Government has taken from the people of Virginia in the first place.

Mr. FRELINGHUYSEN. And you added that it would require the imposition of new taxes, which I questioned. There are not necessarily any new taxes involved in order to support this, so far as I know. Those figures, I might add, are taken from the administration program.

If there should be \$325 million in grants-in-aid made available, it is estimated that the Federal share for Virginia would amount to \$9,275,000, so we have cleared up that point.

Mr. MILLER. Well, they would have to raise taxes in that amount to accumulate that much money. Because they just do not carry that much money loose any more.

Mr. FRELINGHUYSEN. Again, it is not a question of raising new money necessarily in order to get this \$325 million. There is no demand as yet for new taxes in order to support a program of this scope.

Mr. MILLER. Well, that money has to be raised somehow.

Mr. FRELINGHUYSEN. It has to be raised, but from existing tax sources, presumably. It does not mean necessarily that the Virginia taxpayers are going to be that much poorer.

Mr. MILLER. Well, over in Arlington County we are, almost to our detriment. And, of course, we are assumed to have the best schools anywhere.

Now, we are loaded with taxes over there, higher than anywhere in the country. And still the budgets keep on going up. And, of course, if we were assessed by the State of Virginia over there for additional money, we would have to raise the tax rate.

Mr. FRELINGHUYSEN. If you were assessed by the State of Virginia, it would have to raise its taxes?

Mr. MILLER. That is right.

Mr. FRELINGHUYSEN. In order to qualify for the Federal Government it would have to put up \$6 million. Granted there might be some taxes there. But if the schools are going to be built you will have to raise your tax rates, and presumably you have had to do that to build schools at the rate at which you have been building. So the rates are going to have to be raised. You cannot avoid it by getting away from Federal aid. It has to be done.

Mr. MILLER. Of course, I listened this morning to Dr. Miles of the United States Chamber of Commerce in regard to classrooms. I am quoting here from Human Events. And they have picked up this article from the Indianapolis Star, dated February 2, 1957.

The newspaper continues:

"The National Education Association has estimated that 640,000 school-children, or 2.6 percent of the total, are on half-day sessions. This shows a need for 14,000 additional classrooms. The Office of Education reports," commented the Star, "indicate that more than twice that number are being built in the present school year, over and above the rooms needed to house the year's enrollment gain."

Then we find also that in the President's committee, the Committee on Federal Responsibility in the Field of Education, in 1954, this committee stated:

"Federal aid is not necessary either for current operating expenses for public schools or for capital expenditures for new school facilities. Local communities and States are able to supply both in accordance with the will of their residents."

So in listening, there, this morning, it appears that the one committee of President Eisenhower found that it was not necessary to have Federal aid to schools, because the local communities can take care of it.

Then we find this. Of course, all of us are quite aware of things which have happened in the past year or so, and it appears that there is a move on in this country to attempt to get the control of minds, and, of course, J. Edgar Hoover has written many articles that "this is a battle for the minds of men."

Last year we had the Alaska mental health bill, which, of course, we were able to defeat over in the Senate. That is, in its original form. Then they come along with the civil rights bill, and now here is this. It appears to me that there is a move on, whereby somebody—I do not know who it is—or groups of people, are trying to get into control of the thinking of the people.

Mr. FRELINGHUYSEN. Not a very effective way, though, if we are talking about building classrooms. How effective could controlling the minds of the people be if you were building classrooms?

Mr. MILLER. If the teachers had to qualify in such a way, and they were passed upon by certain types of groups—

Mr. FRELINGHUYSEN. Well, we are not talking about teachers.

Mr. MILLER. Those teachers could only teach a particular type of education.

Mr. METCALF. We are not talking at all about that, Mr. Miller. We are talking about building rooms, buildings. We already have a Federal law whereby we do some operating, do make a contribution for operation and maintenance. And you were sitting back there this morning, and you heard Mr. Frelinghuysen ask the question and you heard me propound it to the other two witnesses: Do you know of a single instance, under operation of Public Law 874 or 815, where there has been an attempt on the part of the Federal Government to control the textbooks or the things that are taught in any of the schools in this Nation?

Mr. MILLER. No, sir. I cannot.

Mr. METCALF. You cannot tell me that offhand, and it is not fair to ask you. But if you do find that out, will you submit it for the record?

Mr. MILLER. As long as the Federal Government will hand out these doles, I would assume that these school officials will accept it.

For instance, over in Arlington County, there, this next year they are going to get a little over a million dollars from the Federal Government. However, in the budget we find that they are going to build stadiums, and musical instruments, and a lot of those things.

I feel that any Federal money coming to a community will cause that school board or the school officials to spend that extravagantly. Because the money from the Federal Government, such as this \$3 million that Arlington County is getting—I do not believe that that school administration would be as conservative in the expenditure of their money if they had to rely strictly upon the money that was coming from Arlington County.

Mr. FRELINGHUYSEN. Again it puzzles me whether you are not taking an inconsistent position. You have just indicated that because Virginia would have to put up \$6 million extra in order to qualify for \$9 million, they would be reluctant to do it and therefore would not maybe come into the program at all.

Mr. MILLER. That is right.

Mr. FRELINGHUYSEN. Now, you are suggesting they are almost sure to do it, because of the fact that presumably they would think there was some free money available. I do not know just why you would say in one breath that you do not think it would work and in the next that you think it would work.

Mr. MILLER. What I am getting at is this: Over here in Arlington, we have a different type of school administration than what is in the rest of Virginia.

Mr. FRELINGHUYSEN. But again, it is a State plan that we are talking about. In order to qualify for assistance, the State would have to put up a certain amount of money if we get the mandatory maximum provision in.

Mr. MILLER. May I ask this: Has there ever been a governor of any of the 48 States that has applied for Federal aid to schools?

Mr. FRELINGHUYSEN. I think there is a representative of a State government coming down, but I do not see how relevant that is. There is every indication that a good many have asked for it, and there is a shortage of classrooms.

Mr. MILLER. Well, I attended the White House Conference on Education, and in all of those roundtable meetings up there, I never did hear that any State, or what State, needed funds, or who had applied for it.

Mr. FRELINGHUYSEN. And yet the conclusion of that White House Conference was 2 to 1 in favor of Federal aid in the construction of schools, was it not?

Mr. MILLER. Well, I would say it was 2 to 0.

Mr. FRELINGHUYSEN. You mean nobody was opposed to it?

Mr. MILLER. Well, they were opposed to it, but they would not let them get up on the floor and oppose.

Mr. FRELINGHUYSEN. Well, they certainly were able to vote in their roundtable discussions and come to a separate determination in each case and then have those reports passed up. So I hope you are not suggesting there was an undemocratic procedure followed.

Mr. MILLER. I do not know what your interpretation of "undemocratic" is.

Mr. GWINN. Will the gentleman yield at that point?

Mr. FRELINGHUYSEN. Yes.

Mr. GWINN. I attended that White House Conference and sat at those tables. It was the most undemocratic thing I have sat at in this country of ours. As the witness said, we were not allowed to speak. We were not allowed to take any votes in the assembly. We could only sit at these tables. And those tables had a working arrangement already set up so that the Chairman, who was already presiding before we got there, suggested the next chairman to succeed her or him. And, of course, the greenhorns, like most of us were, did not have anything to say. They were elected because some nice person made the suggestion.

Mr. FRELINGHUYSEN. But in any case the conclusion was that there was a 2 to 1 vote in favor of Federal aid to education?

Mr. GWINN. There never was any vote recorded by those tables. All we had growing out of these tables was the report of the chairman, who was self-appointed, virtually, reporting the consensus. And when the final top two came out of all of those tables to tell us what it was that we decided down below, they gave their consensus, and there never was any vote.

Mr. MILLER. And it was 2 to 0. Dr. Fuller and Mrs. Wanamaker.

Mr. GWINN. Yes, both NEA lobbyists.

Mr. MILLER. So it was two to nothing.

Mr. GWINN. I think that is a fair statement.

Mr. MILLER. So from what I have heard here today, about the only things from here on would be just a repetition of what they have said.

I feel that if the Federal Government will stop taking the money away from the States, the States can take care of their own educational program in a much better way than what the Federal Government can do, due to the geographic locations. And I feel that across the Nation, in every State, they are more capable of determining what is best for our children. I know that I am more qualified to tell what is best for my child than somebody over here in Washington is. So, therefore, I feel that if the Federal Government will get out of this field of education and let the people determine what is best for their own children in their local community, we will build the classrooms. And, of course, let me point out one thing. Mr. Gwinn used the term this morning, or asked the question, about this crisis. Well, we have had a crisis in Arlington County for years and years. Yet we are building classrooms upon classrooms, and we are almost to our detriment over there.

These crises are brought about intentionally.

Mr. FRELINGHUYSEN. You mean because people have too many children?

Mr. MILLER. How's that?

Mr. FRELINGHUYSEN. You mean because people have too many children?

Mr. MILLER. Oh, no.

Mr. FRELINGHUYSEN. Well, then, how are they brought about intentionally?

Mr. MILLER. Well, here is an example, and I think you will find this throughout the country. Over there, we had a building, a school building, a junior high school building, which was built in 1945, that holds about eight hundred-some-odd children. In 1955, that building was closed up completely. And it threw about a thousand children on double shift. The reason for it was that they wanted to pass a bond issue for another school.

Now, that Dolly Madison School, which is out on Shirley Highway—they changed the name of it. That school was closed for 1 year, and in the meantime there were nearly 1,000 children on double shift, and they were hauling them all across the county to the other junior high schools, and yet this school building was setting vacant.

Now, that is the crisis.

Mr. FRELINGHUYSEN. Wait a second. I am interested in this.

Do you think the people could not have recognized that there was some fraud being perpetrated if the school was still usable and the need was there? If there was a manufactured crisis by what I assume is a small group on a board of education?

Mr. MILLER. The people did not know it until it came out in the paper.

Mr. FRELINGHUYSEN. Before they voted on a new school?

Mr. MILLER. Yes. This article came out by the school board over there. Old Brandon was going to be sold. They were going to try to sell it to the police department over there, or they were going to sell it to the recreation department.

Well, when I saw this name "Old Brandon" I did not recognize it as a school building. I had never heard of it. What they had done is taken the name off of Dolly Madison Junior High, which was a



wonderful building built in 1946, a brick building; they took the name off of it and put on there: "Brandon." And they closed it up.

Mr. FRELINGHUYSEN. I should think you might be arguing that the Federal Government could do a better job for the local school board if there is such a thing as that.

Mr. MILLER. I am speaking about these crises that come up.

Mr. GWINN. What pretext did they have for closing that up?

Mr. MILLER. When I found out that Brandon, "Old Brandon" was the new Dolly Madison Junior High School, I got out a letter to the paper. And, of course, the paper went after the chairman of the board over there, Mrs. Campbell, and she said that it was dangerous, it was noisy, and it did not have a cafeteria.

Mr. GWINN. What happened afterward? Did they ever use the school building?

Mr. MILLER. Oh, yes. It is back in operation now.

Mr. GWINN. And they passed the school bonds; so it has served its purpose?

Mr. MILLER. Oh, yes.

Mr. FRELINGHUYSEN. You mean they passed the school bond knowing they had available facilities? Or not knowing?

Mr. MILLER. The people do not know much about what is going on.

Mr. FRELINGHUYSEN. Now, you are apparently saying that the people do not have enough sense to know what is going on, in spite of your calling attention to a specific problem.

Mr. MILLER. Well, when the school board and the school administration do these things, and they do not have alert citizens in the county—

Mr. FRELINGHUYSEN. You think they knew what the score was, but they wanted to deceive the people? The whole board?

Mr. MILLER. Yes. They wanted to get rid of Dolly Madison School.

Mr. FRELINGHUYSEN. The whole board? Not this one woman.

Mr. MILLER. The whole board.

Mr. FRELINGHUYSEN. And the people were too ignorant to know what the board of education was putting over on them?

Mr. MILLER. How did they know? They did not know Dolly Madison had been closed up.

Mr. FRELINGHUYSEN. How could they help but tell if their children were going there and suddenly stopped going to school there? It does not sound as if the taxes were high enough; if they are not interested to find out how they were spent.

Mr. MILLER. It takes some of us who are not afraid of anything to expose these things. Because, of course, maybe you are not familiar with some of these things that are going on in our schools, but there is a retaliation against the child if the parent happens to get out or says something that they do not like. They can take drastic measures against the children.

Mr. FRELINGHUYSEN. Now you are criticizing the local boards of education.

Mr. MILLER. Well, all right. But I am telling you how these crises come about.

Mr. GWINN. Will the gentleman yield for a minute?

The witness is certainly not implying from that that he thinks the Federal Government is one whit better.

Mr. FRELINGHUYSEN. Well, you might draw the conclusion that the Federal Government would be doing a better job than a community that does not bother to take a look at what the local school board is recommending. It sounds like a fantastic situation, and I would think we might provide some constructive advice, at least, in situations like that.

Mr. MILLER. No. I do not believe that the Federal Government would give out any more information and keep the people advised any more than what our local school board does over in Arlington.

Mr. FRELINGHUYSEN. You are saying pretty much that your people are pretty dumb. Mine are certainly not that dumb, I want to assure you. No, no.

Mr. MILLER. Well, I want to tell you—

Mr. FRELINGHUYSEN. I am not saying you are dumb, but your people you are saying are dumb.

Mr. MILLER. The people of Arlington I believe have the highest IQ of any place its size anywhere in the United States.

Mr. FRELINGHUYSEN. They use it for other than educational purposes, from what you say.

Mr. MILLER. That could be true. So another one of these things causing these crises is continuous reduction of class size. I do not know how far they are going in reducing the number of children per classroom, but it has been reduced from around 36 down to—I think the average over in Arlington County at the present time is 24.

Now, of course, there is no way of knowing what the class size is in those classrooms over there. You cannot take the total number of teachers which are shown in the budget and divide that into the total enrollment. Because they have dozens of teachers that are not teaching. So, therefore, by reducing the class size and closing up some of their schools, they are always able to create these crises which were spoken of this morning.

So that is all I have, gentleman. And I appreciate the opportunity of coming over here. I have enjoyed it.

Mr. METCALF. Mr. Miller, is the Constitution Party of Virginia a political party?

Mr. MILLER. Partially. It is partially political; and educational.

Mr. METCALF. So is the Democratic Party, Mr. Miller. It is educational. And the Republican Party. We spend a lot of money to educate our members.

Mr. MILLER. Well, I know. But in a particular way.

What we are doing is trying to awaken the people to these conditions, and all types of conditions, such as budgets, taxes, things which are going on in the schools, such as this Dolly Madison School, to get the people alert, and also to get into politics.

Mr. METCALF. Well now, Mr. Miller, what is your official position in the Constitution Party?

Mr. MILLER. I am vice chairman for the State of Virginia.

Mr. METCALF. For the State of Virginia. Is it a party larger than the State of Virginia?

Mr. MILLER. Oh, yes. Yes. I believe that they are organized now in about 18 States.

Mr. METCALF. And was the Constitution Party on the ballot in those 18 States in the last general election?

Mr. MILLER. I believe they were on in about 5 or 6 States.

Mr. METCALF. And you have expanded since then. How many members?

Mr. MILLER. I could not tell you that. Honestly, I couldn't.

We have just recently, since election—what we are: The Constitution Party is the outgrowth and continuation of the States Rights Parties which Andrews and Riddell ran on.

Mr. METCALF. I see. This is the party that Mr. T. Coleman Andrews was a candidate for President on?

Mr. MILLER. That is correct.

I was the tenth district elector on the Andrews ticket.

Mr. METCALF. Then you are not only speaking for the Constitution Party of Virginia here today but you are speaking for the Constitution Party in all 18 States?

Mr. MILLER. No, sir, I would not say that.

Mr. METCALF. You are just representing Virginia?

Mr. MILLER. That is right.

Mr. METCALF. Well, how many members do you have in Virginia?

Mr. MILLER. Well, I would say that we have not started taking in membership dues yet. We have only been in the process of organizing in the past 30 days.

However, there were 43,000 people that voted the States Rights ticket in Virginia.

Mr. METCALF. And you would claim all those as members of the Constitution Party?

Mr. MILLER. I would say they are all States Rights, as soon as we can get to them. Of course, I am here today more, or as much, as a citizen from Arlington County, living over there, and I would say they are one of the counties that get the most amount of Federal funds for a given area; also that I have been in this fight for education for the past 5 or 6 years.

I have done my best to try to wake the people up to the things which are going on in the schools and in politics, and making them aware, trying to get them to study the budgets, in which I have been very successful this year. Up until this year, only the chamber of commerce was interested in the budget from the conservative standpoint.

Mr. METCALF. You do not have a taxpayers' association over there?

Mr. MILLER. We do have now. As a matter of fact, I think we will have 5 or 6 or 7 different committees going in there and opposing this increase in the budget this year.

Mr. METCALF. You are helping to restore our confidence in the local level of school administration.

Mr. MILLER. Well, I do not know whether it is to restore confidence or not. I wouldn't say that.

Mr. METCALF. Your testimony heretofore had caused me to have some doubts about this local level, and I am glad that the people of your area are taking the same interest that the people of my area take in their local school administration.

Mr. MILLER. How do you mean?

Mr. METCALF. That they are looking at the budget and they are looking at the conduct of the school boards and they are concerned about what is taught in the schools and they are concerned about the teaching.

Mr. MILLER. That is right. An alert public, only, will preserve this Nation.

Mr. FRELINGHUYSEN. Mr. Miller, I do not suppose we should prolong this discussion too long.

You mentioned several times that the States can take care of their own problems, and "who knows better than the people of the State how to operate their schools?"

Do you visualize, because of that, that there is a State responsibility to help out in those areas that are perhaps overtaxed, where their capacity is strained, such as perhaps occurs in Arlington County?

Mr. MILLER. Well, I do not see how, if we are already overtaxed, for us to contribute more money to the Federal Government so that they can give part of it back to us—

Mr. FRELINGHUYSEN. I just asked the question about the States. Do you think there is a State responsibility to help out those areas that are straining or perhaps have reached their taxing capacity, their ability to build their own schools?

Mr. MILLER. The States are returning some of the money from the gasoline tax.

Mr. FRELINGHUYSEN. Are you saying there is a responsibility on the part of the State to help out where there are distressed areas?

Mr. MILLER. That is right. But that is as far as it should go, at the State level.

Mr. FRELINGHUYSEN. I understand your opposition to any role of the Federal Government. But if there were no interruption of the local responsibility for schools, poor as it may be in Arlington County, and if there were an encouragement of developing a local awareness on the part of the local citizens as to what the Federal Government might do, would you be in favor?

Mr. MILLER. No, sir. Because I think we can be informed. And we can do more in the way of informing the people of conditions on the local level than we can by paying our money in and letting the Federal Government attempt to tell us what is wrong with our schools.

Mr. FRELINGHUYSEN. But I think there is your basic misunderstanding of what we are trying to do.

We are not trying to tell you what is wrong with your schools. Perhaps you suggested somebody ought to be determining whether you are having too small an average classroom, but it certainly is not the thought of the Federal Government that they are going to get in and tell you how to run your schools or how much you should pay your teachers or what the curriculum should be. And I do not understand why you keep harping back on that aspect of it.

In what part of any of these bills do you see anything that would result in that kind of Federal interference?

Mr. MILLER. Because I do not see anything in the bills which prevents that.

Mr. FRELINGHUYSEN. Well, there are specific provisions, I think section 104, that prevents any interference with personnel or curriculum. Would that satisfy you; that there is such a prohibition against the Federal Government?

Mr. MILLER. No, sir.

Mr. FRELINGHUYSEN. Why?

Mr. MILLER. I am still standing on States rights; that it is the right and the duty of the people in that State to take care of their own children.

Mr. FRELINGHUYSEN. No one is arguing about that, but if we could help you, we would be encouraging the basic point of view of States' rights.

Mr. MILLER. You cannot have States' rights and have the Federal Government mix into it.

Mr. FRELINGHUYSEN. Well, as a practical matter of course, that is an absurd statement, because we time and again have an interest on the part of the Federal Government as well as State and local governments in a lot of problems, and there is not any necessary deterioration of the local responsibility as to such problem.

Mr. MILLER. There could be.

Mr. FRELINGHUYSEN. Of course, there could be.

A lot of things could happen. But if you set up a sensible program local responsibility can be retained.

Mr. MILLER. I feel that the greatest safeguard that we have against the Federal Government encroaching on the rights of the people within the sovereign States is the 10th amendment to the Constitution.

Mr. FRELINGHUYSEN. Well, we have heard lots of discussion about the 10th amendment.

Mr. MILLER. I am opposed to the Federal Government getting into anything within the boundaries of each of the 48 States.

Mr. FRELINGHUYSEN. But the line is not easy to delineate. In spite of your helpfulness today, it still is not very easy for me to see clearly where the Federal responsibility ends, so to speak.

Mr. MILLER. Of course, I think about 1933 was when they started expanding the Federal Government. We were doing pretty well. I think we had 9 Government or Cabinet officers at that time.

Mr. FRELINGHUYSEN. We?

Mr. MILLER. Yes. I was alive then. I was one of the 140 million, or whatever it was. There were nine Cabinet officers, I believe, at that time. Then, of course, it started expanding. Well, I do not see anything that is ever going to stop this expansion of the Federal Government, other than to get the Federal Government out of the free-enterprise system, to get them out of education, and those things which belong strictly to the States.

Mr. FRELINGHUYSEN. You are not suggesting that this is any interference with the free-enterprise system, are you? These programs?

Mr. MILLER. The Federal Government is in the free-enterprise system.

Mr. FRELINGHUYSEN. It certainly is interested in it, of course. But you are not suggesting that this is an interference or the Federal aid programs are an interference with the free-enterprise system.

Mr. MILLER. Not directly, no. It could come to that.

In other words, I feel that we must set up safeguards somewhere along this line. You just turn the Federal Government loose, to where they can tax the States for any amount that they want, and they can tax the individual for any amount that they want. Where is it going to stop?

Mr. FRELINGHUYSEN. The power is there now, I suppose. It is just a question of discretion as to how to use it and what use to put the money to.

Mr. MILLER. Well, as I understand it, the Federal income tax—they can take 92 percent. Well, then why could they not take a hundred percent?

Mr. FRELINGHUYSEN. But they have to use restraint in the way they handle that power.

Mr. MILLER. And who is going to determine who will have that restraint?

Mr. FRELINGHUYSEN. I do not think we are making much progress in this.

That is all, Mr. Chairman.

Mr. MILLER. Thank you.

Mr. MERCALF. Thank you, Mr. Miller, for coming here and giving us your testimony.

The committee will be in recess until Monday at 10 o'clock, at which time we will hear Congressmen Hyde and Ashmore, and other witnesses are to appear before the committee, to be named later.

(Whereupon, at 3:05 p. m., the hearing was recessed until 10 a. m., Monday, March 4, 1957.)

# FEDERAL AID TO STATES FOR SCHOOL CONSTRUCTION

MONDAY, MARCH 4, 1957

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON GENERAL EDUCATION,  
OF THE COMMITTEE ON EDUCATION AND LABOR,  
Washington, D. C.

The subcommittee met at 10 a. m., pursuant to recess, in room 420, Old House Office Building, Hon. Cleveland M. Bailey (chairman of the subcommittee) presiding.

Present: Representatives Bailey (presiding), Kelley, Udall, Gwinn, and Freylinghuysen.

Also present: Representative Griffin.

Staff members present: Fred G. Hussey, chief clerk; John O. Graham, minority clerk; James M. Brewbaker, general counsel; Kennedy W. Ward, assistant general counsel; and Russell O. Derrickson, chief investigator.

Mr. BAILEY. The subcommittee will be in order.

The clerk will please call the roll and ascertain if we have a quorum present.

Mr. HUSSEY. Mr. Bailey?

Mr. BAILEY. Here.

Mr. HUSSEY. Mr. Kelley?

Mr. KELLEY. Here.

Mr. HUSSEY. Mr. Metcalf?

(No response.)

Mr. HUSSEY. Mr. Udall?

(No response.)

Mr. HUSSEY. Mr. Gwinn?

Mr. GWINN. Here.

Mr. HUSSEY. Mr. Freylinghuysen?

(No response.)

Mr. HUSSEY. Mr. Haskell?

(No response.)

Mr. BAILEY. Mr. Metcalf is on his way. Mark him as being present.

Mr. HUSSEY. Mr. Udall will be here.

Mr. BAILEY. The Chair now recognizes the clerk to offer for insertion in the record certain material.

Mr. HUSSEY. We have the following to be inserted, Mr. Chairman:

From the Council of Chief State School Officers, a letter dated February 28, 1957, from Dr. Edgar Fuller.

A letter from Mrs. R. E. Rice of Northridge, Calif., dated February 26, 1957.

A letter from the Pennsylvania Farmers' Association, Lemoyne, Pa., dated February 25, 1957.

A letter from Congressman J. Arthur Younger, of the Ninth District of California, with an attached letter from C. T. Richardson, of San Mateo, Calif.

A statement from Idaho Farm Bureau Federation, John H. Webb, executive secretary; a letter from Mr. John J. Dempsey, Congressman at large, New Mexico, with a statement from Ruidoso Municipal Schools, Ruidoso, N. Mex.

A communication from Columbia University, New York, and a letter from the Wausau Chamber of Commerce, Wausau, Wis.

Mr. BAILEY. The Chair would like to say that the first insertion from Dr. Fuller of the chief State school officers is for the purpose of correcting misleading testimony offered by one of the recent witnesses on the number of actual classrooms short throughout the country.

At this time the Chair would like to read into the record a brief one-paragraph statement of the recent meeting of the National Education Association at Atlantic City. This is on school-building construction, and I quote:

Even after unprecedented State and local effort during the past 2 years to meet school-building needs, a grave shortage of classrooms still exists in almost every part of the country. Therefore, the association, consistent with policies adopted in former resolutions and in our platform, urges the 85th Congress to enact an emergency program of school-building construction as recommended by the White House Conference on Education and leaders of the two major political parties. Federal funds for assistance in school-building construction should be distributed without Federal control through the Office of Education to the State departments of public instruction.

If there is no objection to these several contributions to the record, they will be included in the record at this point.

(The documents referred to are as follows:)

HOUSE OF REPRESENTATIVES,  
Washington, D. C., February 25, 1937.

HON. GRAHAM A. BARDEN,  
Chairman, Education and Labor Committee,  
House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: I am referring to you herewith a letter of February 15, 1937, which I have received from Superintendent J. Howard Morris, Ruidoso, N. Mex., municipal schools.

It will be greatly appreciated if your committee will consider the suggestions contained in this letter concerning certain restrictive clauses in legislation relative to Federal aid for school-building construction.

Sincerely yours,

JOHN J. DEMPSEY, M. C.

RUIDOSO MUNICIPAL SCHOOLS,  
Ruidoso, N. Mex., February 15, 1937.

HON. JOHN J. DEMPSEY,  
Member of Congress, Washington, D. C.

DEAR MR. DEMPSEY: The enclosure with this letter is copied from a recent application we made for further Federal aid for building construction under Public Law 815, title IV. Under the rules and regulations for the administering of Public Law 815, we have been officially advised that we are not eligible since we were granted \$180,000 in 1934 and our estimated increase is not sufficient to warrant allocation of additional funds under the aforementioned Public Law 815. We accept this ruling as final and do not care to press for approval of our application.

The purpose of this letter and the enclosure is to give you firsthand information of a situation that I believe is common to a number of New Mexico school districts. Recently, I talked to Mrs. Georgia Lusk, State superintendent of public instruction, and she was enthusiastic about the passage of legislation during this



session of Congress whereby Federal aid for school construction would provide a certain amount to be allocated to each State for distribution from a State level, on a need basis, with the district contributing to the legal extent of its ability. It is the hope of the board of education and myself that, if such legislation is considered, careful consideration be given to the end that such legislation will not contain restrictive clauses that would preclude participation of school districts such as ours. Our district is perfectly willing to bond itself to the legal limit to match or supplement any Federal funds that may be made available.

Should you desire a complete copy of our application for Federal funds under Public Law 815, title IV, please advise, and I will forward a complete copy. As before stated, we do not desire to question the declaration of our ineligibility by the United States Office of Education. It is my thought that the application itself does contain full and complete information about our local situation, which we believe is common to a lot of districts in New Mexico. Simply stated, it is this, "We have too much tax-exempt area which creates a substantial and continuing impairment of the districts ability to finance needed school construction."

Mr. Dempsey, we shall appreciate any assistance you can give us, and your comment will be most welcome. We want you to know we appreciate your good work and the interest that you have in this State's welfare.

Sincerely yours,

J. HOWARD MORRIS.

#### EXHIBIT A

Ruidoso Municipal School District acquired such status in early 1947. It was formed through consolidation of two small county school districts. Both of these schools were elementary schools, and high-school students were transported to Capitán Union High School, a distance of 50 miles, prior to the establishment of Ruidoso Municipal School District.

When the Ruidoso Municipal School District was established, a high-school building was constructed from money raised by maximum bond issue that the district could legally authorize at that time. This facility, inadequate from the beginning, has served as a high school since 1947.

The Indian people of the Carrizo settlement within the Mescalero-Apache Indian Reservation and adjacent to Ruidoso Municipal School District asked in 1948 to be permitted to send their children to the Ruidoso schools. Their reason for such a request was the earnest desire of the Indian people to have their children educated in the public schools. Even though the acceptance of the students from this Indian settlement caused crowded conditions, the administration of Ruidoso schools recognized the actual need for acceptance of these Indian students.

In 1951 the Ruidoso School District again raised its bonded debt to the legal limit to provide facilities to house the districts own students and the Indian students from the Carrizo settlement. This increase in bonded debt was in the amount of \$104,000.

The year 1953 brought a request from the Indian settlement of White Tail for the admission of their children. This year and the following year brought about two factors which directly affected the Ruidoso School District. First was an application for, and approval of, Federal funds in the amount of \$186,000 to provide immediate minimum classroom facilities. Second was the consolidation of the Carrizo and White Tail districts with Ruidoso Municipal School District, thus making the Ruidoso School District responsible for providing educational facilities for all time to come for these Indian students residing on tax-exempt Indian land. The scholastic population of these 2 all-Indian districts at that time was 130. Today it is 158, and still increasing. There is an odd contrast between the children residing in the Carrizo and White Tail communities and the number enrolled in our school system. We have enrolled 92 of the 158. Many of these children are away from home in boarding schools for social reasons. Mescalero tribal business committee is making noticeable progress in the encouragement of stabilization of the parents or guardians of these children. Tribal enterprises are being developed to further the stabilization program of these Apache people. Specific reference is made to the \$250,000 Mescalero Summit Enterprises, which is in this area. There is every indication that we will in the very near future have all children of school age whose parents or guardians reside in this school district in attendance in this school system. There is also every indication that development of the above-referred-to tribal enterprises will bring more and more Indian families into this attend-

ance area. This, with the normal average increase, will create a substantial increase by the 1957-58 school year. The statements immediately preceding should be carefully weighed in considering tables 4A, 4B, and 5A. A complete census of Indian students in this district as of this date is submitted and appended hereto (exhibit B.)<sup>1</sup>

This school system has been denied affiliation with the North Central Association of Secondary Schools and Colleges because of our deficiencies in high school of the facilities herein applied for. This fact, as pointed out in this application, is verified by letter from Mrs. Georgia T. Lusk, State superintendent of public instruction for New Mexico. A true copy of the original of her statement is attached to and made a part of this application (exhibit C).<sup>1</sup>

It is well to point out that approximately 78 percent of the original Ruidoso Municipal School District formed in 1947 was comprised of Federal and State lands which are tax exempt for bonding purposes. With the consolidation of the two Mescalero Indian reservations school districts of Carrizo and White Tail in 1953, the percentage at the present time of the total area of Ruidoso Municipal School District is approximately 80 percent tax exempt. Special attention is invited to the attached plat of Ruidoso School District which more graphically describes this situation (exhibit C).<sup>1</sup>

It is therefore submitted that the inclusion of Federal property and the immunity of same from taxation by reason of the annexation of Indian reservation lands has created a substantial and continuing impairment of the ability of Ruidoso Municipal School District to finance needed school facilities for the students for which the district is responsible.

COLUMBIA UNIVERSITY,  
New York, February 25, 1957.

Memorandum for the House Subcommittee on Education.

HOUSE OF REPRESENTATIVES,  
Washington, D. C.:

The enclosed pages are part of a chapter from a book on taxation which I have ready for publication.

I might add that it represents the point of view of a professor emeritus of Columbia who has been interested for many years in problems of education and has recently been putting some time into a study of public education in New Hampshire.

H. R. STEEVES, *Professor Emeritus.*

#### "AIDS" TO EDUCATION.

The latest public interest that the Federal Government has insisted upon adopting as its orphan child is public-school education. The educational appropriation called for in the 1957-58 budget is almost half a billion, nearly double the appropriation for the preceding year. But a separate program for new school construction was proposed in a Presidential message on January 28, 1957. This program called for Federal appropriation of \$325 million (part of a continuing appropriation to run 4 years) for school building, to be matched by a nearly equal amount from the States. The States, however, are called upon to contribute varying proportional amounts, ranging from twice the Federal contribution in wealthy and highly urbanized States like New York, Illinois, California, and Connecticut, to about half the amount of the Federal contribution in the South. The aggregate amount called for over the 4-year period is therefore \$1,300 million. To this is added \$750 million for the Federal purchase of school bonds of districts which cannot float them on their own credit; \$20 million, apparently, for the mere programming of school construction by the States; and an unnamed amount as advances to school districts for financing building on a loan-purchase plan. The entire program calls for over \$2 billion in specific appropriations, plus whatever the Federal Government chooses to make in advances.

The merits of the building program I prefer to pass over here and now, not because the program fails to interest a man who has spent two-thirds of his life teaching, but because I hope to treat it more at length at another time

<sup>1</sup> Not printed.

and place. Suffice it to say that in this proposal for aid the Federal Government has moved into an area in which governors, commissions, and even a vocal minority of an ad hoc committee of the so-called White House Conference on Education,<sup>1</sup> say there is no need whatever for Federal intervention. As to the present need of classroom accommodation, there is little dispute, but there is much debate as to whether that need has not been exaggerated. There is also much opposition to Federal domination of the situation, for it is widely regarded as a foot in the door for Federal domination of educational policy generally, under the direction of the "masterminds" in public education, the group who speak of themselves as "educationists."

The Federal Government is not unaware of that opposition, or of the fears on behalf of public education that underlie it. It has hastened to deny—as have all the advocates of Federal aid—that aid is meant to imply, or will imply, Federal control of educational policies in the States. But those denials of ulterior purpose have seemed to many who stand outside the educationist pressure groups to illustrate Hamlet's wise remark: "Methinks the lady doth protest too much." And against them all we have to set the Supreme Court's dictum that "power to appropriate is power to control." That dictum carries with it ominous inferences with respect to whatever further interest the National Government may develop in education at the school level.

We have had, and only within the past year, an interesting test of whether Federal aid to education can be accepted as wholly nonpolitical and free from strings. Last year's program for aid to schools was hamstrung by politicians who on one pretext or another of "respect for the law," or "justice to minorities," tied the entire program to the issue of segregation, which insured defeat of the proposal. In the present instance the President takes pains to assure us that "Federal aid must not infringe upon the American precept that responsibility for control of education rests with the States and communities." This we can accept as a sound political approach. Whether it will count for much as a guide to legislation and to administrative procedures is another question altogether. And when we examine the compliances that have been exacted from the States when they have in the past accepted Federal aid, there is quite sufficient justification for the fear that Federal educational aids, like other aids, are more than likely to be what former Governor Driscoll of New Jersey called "the biggest con game in politics."

At any rate, we see the Federal Government opening the gate, for better or worse, upon a domain which the States hitherto have jealously guarded as their own, and using for "aid" to States revenue taken from those States to be expended under the conditions which the Federal Government chooses to impose. In the present juncture those conditions are (1) that the Federal aids shall be extended to the States in proportion to their financial needs, (2) that the Federal funds shall be matched by State funds, (3) that while in the first year matching funds may be furnished by either States or local communities, in the second year and thereafter they must be furnished by the States, (4) that the State governments shall decide upon the "neediest cases" within the States and (5) that the funds shall be used only for new school construction.

These conditions do not appear, on the surface, to be onerous. And if Federal "aid" to the public schools were to cease at the end of the 4 years which the President sets as the period of his \$2 billion program, we should at any rate have moved quickly with a building program which the States themselves, no doubt, would have studied and developed over a longer period.

But as Governor Stanley of Virginia has pointed out, the States would build—there is no doubt about it—with far greater economy. For one thing is certain with respect to Federal aid—that the smell of easy money from Washington will be an open invitation to local extravagance. There is nothing like money for free, or even easily borrowed money, to enlarge our ideas of what we need. Even on the principle of matched funds, Federal aid will provide the signal for lavish planning and careless spending. Let us take, for good measure, the evidence upon this point of one of the most disinterested public servants that the last generation has produced, James F. Byrnes, Senator, Secretary of State, Justice of the United States Supreme Court, Governor of South Carolina, and a notable in many other public offices: "Whenever a State or county receives a grant which officials can spend without the responsibility of collecting the money by taxes, you are certain to have extravagance."

<sup>1</sup>One of the most cunningly "steered" of all the present administration's promotions.

Yet if this move is just a polite step to taking over the entire educational machinery of the Nation, then we shall be in quite a different situation, and one for which, in the view of some practical politicians in the near future, there will be ample precedent in the States' acceptance of Federal educational aid in 1957. There can be little doubt that as the Federal Government extends its influence in educational surveying, planning, and advisory functions, it will approach nearer and nearer to that happy day (in the educationist's view) when nothing can be taught in your little town that has not received the stamp of approval of the Office of Education at Washington.

This story of Federal dollars for everybody, and almost everything, is a long, long story, and I have touched only the highest spots, or rather, the sorest spots. The astronomical collecting and spending of the Federal Government is of course the core of our tax troubles. We have seen something of the waste in it, the usurpation of State functions which could be managed better at home, the ear always attentive to the call of the pressure group, and around it, in it, and all through it, always the workings of the political mind, not the economic mind.

But the rest of the story we must skip.

WAUHAU CHAMBER OF COMMERCE,  
Wauhaui, Wm., February 27, 1957.

Re H. R. 3950.

Hon. CLEVELAND M. BAILEY,

*Chairman, Subcommittee, Education, and Labor,  
House of Representatives, Washington, D. C.*

DEAR CONGRESSMAN BAILEY: The national affairs committee of the Chamber of Commerce spent a good period of last year studying various bills submitted on Federal aid to education and came to the unanimous conclusion that there was no need for any of the bills presented at the last session.

We have again carefully considered the above-mentioned bill and feel that the same should be defeated.

It is our feeling that the States are in a position to handle this matter better; further, that the Federal Government should be kept out of the field of education, not only because of the cost involved but for the further reasons hereinafter set forth. While it is true that the present bill would not add substantially to the national debt, still we regard this merely as an opening wedge.

It is further our thought that with the Federal Government entering the field of education, it is conceivable that in the foreseeable future one could expect Federal control or suggestions as to curriculum, courses, etc. This, I believe, we all agree would be extremely unwise.

I trust that you will call this to the attention of your committee and that you and your group can concur in our feelings.

Very truly yours,

HERBERT TERWILLIGER,  
*Chairman, National Affairs Committee.*

COUNCIL OF CHIEF STATE SCHOOL OFFICERS,  
Washington, D. C., February 28, 1957.

Hon. CLEVELAND M. BAILEY,

*Chairman, Subcommittee on School Construction, Committee on Education  
and Labor, House of Representatives, Washington, D. C.*

DEAR REPRESENTATIVE BAILEY: This is to correct a few of the most glaring inaccuracies in the testimony presented to your subcommittee on February 21, 1957, by Mr. William M. Adams, chairman of the municipal securities committee of the Investment Bankers Association of America.

His testimony was based almost entirely on repeated assertions that 69,200 classrooms were "scheduled for completion as of October 1, 1958," and that these became available on that date as a deduction from the need for 150,000 classrooms in the fall of 1958.

The fact is that the figure of 69,200 is an estimate made by the State departments of education for the 1956-57 school year, which covers a 12-month period including all school months in the fall of 1956 and the spring of 1957. Last school year the comparable estimate was 67,000 and 62,000 classrooms were

actually constructed. No one knows yet how many will be constructed by July 1, 1957. Some are being delayed by "tight money," and other financial difficulties.

Having counted all school construction planned for the entire 1956-57 school year as having been completed by October 1, 1956, Mr. Adams then proceeded to a second computation of the amount of school construction for the remaining 9 months of the 1956-57 year by projecting for a full year the school bonds issued in the 4 months after October 1, 1956.

Of course, Mr. Adams has counted 9 months of school construction twice — once by the estimates of State departments of education and again by his bond projections. And both estimates are on the optimistic side.

It would indeed be wonderful if school construction could thus be doubled through statistical manipulation on the basis of false assumptions. That this is what happened in Mr. Adams' testimony can be verified by the United States Office of Education. I can testify to it as the representative of the State school officers who supplied the statistics to the Office of Education.

Mr. Adams does not cease his distortions of the facts, however, with this statistical duplication. For example, last year there were 62,600 classrooms constructed at a capital cost in excess of \$2,600 million. Mr. Adams, on page 3 of his testimony, says, " \* \* the school financing for the past 4 months projected for a full year would mean an expenditure of approximately \$2,900 million to provide about 96,000 classrooms in addition to the 69,200 scheduled for completion as of October 1, 1956."

Thus he has reduced the capital cost per classroom from an actual \$41,500 last year to an estimated \$30,000 this year in the face of higher costs for materials and labor. This illustrates how effective he can be in building schools on paper. His testimony is loaded with these and other travesties on the truth.

Of course these misrepresentations are probably not entirely the fault of Mr. Adams. The United States Chamber of Commerce has made some of the same misstatements in much of its recent literature and in its current regional conferences to defeat the construction bill, and Mr. Adams no doubt picked up many of his mistakes of fact from this source. He could have learned the truth by inquiring of the Office of Education or of our office, but he chose to repeat selected fallacies from among many spread by the chamber of commerce.

Near the end of his testimony, however, Mr. Adams suddenly relaxed his argument against grants-in-aid and proceeded to do what he really came to do; protect his bond-buying associates from the Federal competition he fears from Federal school bond purchases. To quote from his testimony:

"If there is an immediate need for financial aid to education for the construction of elementary and secondary schools:

"(a) A program of Federal grants to needy States and educational agencies, with an incentive requirement for matching funds, without any alternative type of Federal financial assistance through loans, would provide assistance most simply and effectively.

"(b) A Federal loan program should not be included because it would simply substitute Federal loans for loans from private sources."

I am certain you and your colleagues will prevent the membership of the House from being grossly misled by the testimony of Mr. Adams.

Sincerely yours,

EDGAR FULLER, *Executive Secretary.*

NORTHRIDGE, CALIF., February 26, 1957.

Representative BAILEY,  
House of Representatives,  
Washington, D. C.

DEAR MR. BAILEY: I read with considerable interest and also with dismay the report written by Mr. Don Shannon, Los Angeles Times correspondent, who was present during an interview you had with two members of the local school board, Mrs. Edith Stafford and Mrs. Ruth Cole.

We of the West San Fernando Valley, particularly, who have at present 12,372 pupils on one-half day sessions, a fact substantiated by a clipping from one of our local newspapers. The Valley News and Green Sheet dated February 24, 1957 and which is enclosed. Here you find the real answers to your question to Mrs. Stafford when you asked her as to whether the problem of short sessions was being licked. Mr. Shannon reports that she made the following reply which our local Los Angeles Times paper carried on February 20, 1957, "Yes, despite

the tremendous increase in enrollment the problem was linked to the extent that now 2.0 percent fewer children than in 1952 were on half-day sessions; in other words about 3 out of 100 who were on half-day sessions at elementary level are not at the present time and that 2 percent fewer children on secondary level who in 1952 were on half-days are not at the present time. In other words, 3 out of 100. This somewhat less than heartening percentage appalls parents of the West Valley area. We want something done about it.

At a time when the country is pleading for more engineers, scientists, and other leaders our local school board is shortchanging such a large portion of the Los Angeles County schoolchildren who are, unfortunately, under their jurisdiction. I read in the Los Angeles Times dated February 25, 1957 an article in which the president of Stanford University stated requirements for admission would of necessity be going up. How can any of the parents here have any faith at all that our children are being prepared for college entrance on such disgraceful half-day sessions?

In our own West Valley area one junior high school (John Sutter) which was built to accommodate 2,200 children on a full-time basis is now on half-day sessions with 3,250 children presently in attendance. It is required to serve the needs of all of Canoga Park, Woodland Hills, Chatsworth, and portions of Northridge and Granada Hills; an area of 89 square miles. To further emphasize these drastically crowded conditions I am reliably informed that Canoga Park alone has students to fill one junior high with a capacity of 1,500. There is every expectation that this enrollment at Sutter will reach 4,000 students by the end of 1957; all of these junior high students will, of course, be on half-days.

Another misconception seems to be abroad that the construction industry isn't able to keep up with our badly needed schools but this is emphatically denied by each president of the State, county, and city contractors associations.

A reply from you or your committee's views as to what help you can give or what ought best to be done to correct as speedily as possible the shameful half-days our children are being subjected to would be welcomed. Thank you.

Very truly yours,

Mrs. R. E. Rice.

[Article from the Valley News and Green Sheet, Van Nuys, Calif., February 24, 1957]

#### 12,372 VALLEY PUPILS ON HALF-DAY SESSIONS

An unexpected surge in enrollment in Los Angeles city schools has caught educators without enough teachers.

Supt. Ellis A. Jarvis said 2,147 more students registered this month than predicted by principals, personnel, and budget division authorities.

He said the record enrollment totals 655,071.

The total includes 30,125 students on half-day or short sessions, 12,372 of them in the San Fernando Valley.

Jarvis explained 63 teachers are needed in the elementary schools for regular classes and 8 teachers for special training rooms for slow learners.

Another 29 instructors should be available for further increases, he said. There are 143 new teachers already on the job this semester.

Enrollment in the elementary division was estimated at 270,644, according to William Brown, chief of the system's personnel division, but 278,701 pupils showed up for classes.

PENNSYLVANIA FARMERS' ASSOCIATION,  
Lemoyne, Pa., February 25, 1957.

Congressman CLEVELAND M. BAILEY,

Chairman of Subcommittee on Education,

House Office Building, Washington, D. C.

DEAR CONGRESSMAN BAILEY: I am writing on behalf of 5,757 member families of our organization regarding the question of Federal aid for school construction.

I would request that these recommendations be placed in the record.

In 1956 the members of this organization passed the following policy:

"Adequate education of all American youth is essential to the preservation of the Republic and to the welfare of the Nation in peace and war. The country's most important resource lies in its citizens more than in its soil or climate or extent of territory. School enrollment is rising at an unprecedented rate, and every American child has the right to an adequate educational opportunity. That

opportunity can be provided by local communities and States more satisfactorily and equitably than by the Federal Government.

We believe that progress in education is most meaningful if it has the financial endorsement of the community. We believe that the people are capable of judging vital public issues, and no public issue is closer to the people than the schools. We believe that the people of a community can best achieve a public-school system adequate to their needs, if they participate in determining the educational needs, and then also have the responsibility of raising the necessary funds to pay for it. We, therefore, declare ourselves opposed to Federal aid to local schools. We do not believe it is necessary either for current operating expenses or for capital expenditures for new school facilities. We believe that local communities and States are capable to supply both in accordance with the will of their citizens."

The Pennsylvania Farmers' Association does not feel that the shortage of classrooms is nearly as critical as those who advocate Federal aid to education. Figures published by the United States Office of Education show that more facilities have been built than needed by the number of children added to school rolls each year.

For example:

During the period of 1954-55 there were 1,100,000 children added to the schools rolls. Based on the standard of 30 pupils per room this would require 30,000 additional classrooms. Actually during this period there were 60,000 classrooms constructed.

In 1955-56 there were 1,040,000 new pupils added to the school rolls; based on the same assumption, 30 pupils per classroom, this would require approximately 35,000 new classrooms.

During this period it is estimated that 64,000 new classrooms were built. Assuming a large number of classrooms became obsolete this still leaves a high percentage for replacement.

There is no justification for writing a program that would penalize those States who have and are doing a good job in school construction to help those States who have not maintained adequate school facilities.

Under the Kelly bill, Pennsylvania would receive \$37,648,000 but would pay out under the estimated taxpayment, \$42,044,000, in other words we would construct for some other State approximately 147 classrooms.

Under the administration bill, Pennsylvania would receive \$18,803,000 and would pay out \$22,400,000 and construct 123 classrooms for some other State.

Regardless of which bill you adopt, Pennsylvania would construct schoolrooms for some other State.

Financially the farm folks would be far better off to keep all of our tax money in Pennsylvania and construct our own school buildings as we have done in the past.

More important than all these is the fact that when any Federal aid is given local districts must give up some of their authority in planning their own program. All of our local districts unanimously stated that they did not want the Federal Government as a member of their local school board.

We sincerely request you and your subcommittee to do everything within your power to prevent any expansion of Federal aid for education.

Very sincerely yours,

G. A. BIGGS, *President.*

HOUSE OF REPRESENTATIVES,  
Washington, D. C., February 25, 1957.

HON. CLEVELAND M. BAILEY,  
*Chairman, Subcommittee on Federal Aid to Education,  
Education and Labor Committee, House Office Building.*

DEAR COLLEAGUE: I ask that the attached letter from Mr. C. T. Richardson be read into your record of hearings on the Federal aid to education.

Cordially yours,

J. ARTHUR YOUNGER,  
*Member of Congress, Ninth District, California.  
SAN MATEO, CALIF., February 10, 1957.*

DEAR CONGRESSMAN YOUNGER: Having been a teacher for 12 years, I am understandably interested in what happens to schools. The Federal aid to

schools bill will soon be coming up for consideration. The following facts should be remembered:

1. The Education Committee of the President's Commission on Governmental Relations, reported: "• • • Federal aid is not necessary, either for current operating expenses for public schools or for capital expenditures for new school facilities."

2. From 1900 to 1935 public school enrollment doubled, but school operating costs multiplied 43 times.

State and local governments have increased school funds faster than enrollment, faster than prices, faster than other public services.

3. In 1900 school funds equaled 1½ percent of the national income, in 1935 they equaled 4 percent.

A recent world survey finds that the United States has the highest per capita expenditure on education.

4. The number of teachers has risen faster than the number of pupils.

In 1900 there were 37 pupils per teacher; in 1935, 27 pupils per teacher.

Most of the support for Federal aid, comes from the powerful and dangerous NEA lobby, which is teaming with strange left wing collectivists, bent on making the United States over into a Socialist utopia.

Private schools with far less funds, seem to be doing a much better job of education than our public schools. The real question seems to be, do we want true education or rather, indoctrination? If the schools receive Federal aid the NEA working from a national level will certainly dictate the policies. This will be a substantial step toward the substitution of socialism for the traditional American way of life.

For your reference I am enclosing a small booklet, What Has Happened to our Schools. I hope you will have time to read it.

Because of the facts presented, supra, I respectfully request that you will use your influence to defeat the Federal aid to schools bill.

Yours very truly,

C. T. RICHARDSON.

#### STATEMENT ON FEDERAL AID FOR SCHOOL CONSTRUCTION BY IDAHO FARM BUREAU FEDERATION, POCATELLO, IDAHO

In membership-developed policies for 1956, the Idaho Farm Bureau Federation declared, "Federal aid to education is contrary to Farm Bureau principles. It creates more big Government, leads to Federal control, and creates higher total education costs. Furthermore, the States are far better able to finance schools than is the Federal Government."

Though it is recognized that there will always be problems in financing school construction in a growing population, these problems in by far the majority of instances are being met remarkably well. Information secured and documented by the United States Chamber of Commerce indicates that there were 1,100,000 children added to the school rolls during the period 1954-55. Based on the standard of 30 pupils per room, this would require 36,000 additional classrooms.

Actually there were 60,000 classrooms built during this period. In 1955-56 there were 1,040,000 new pupils added to the school rolls. Assuming 30 pupils per room, this would require approximately 35,000 new classrooms. However during this period it is estimated that 64,000 new classrooms were built. This leaves a high percentage for replacement of those assumed to have become obsolete.

This indicative position on Federal aid and intervention in education was reiterated in the policy resolutions adopted at the annual IFBF convention in Boise, Idaho, November 28, 1956. The policy calling for limiting Federal aid to education reads as follows: "Additional Federal aid to education should be limited to those cases where the impact upon education, due to Federal projects, is so great that local people are unable to meet the necessary housing and teaching expenses."

The majority of farm people are educated through the school of experience to the fact that you don't get something for nothing, even from—or especially from—the Federal Government. This thinking was proclaimed at Miami Beach, Fla., in December 1956, when elected delegate farmers from every State in the Union to the American Farm Bureau Federation annual convention declared the following policy on financing education:



"Rural people are especially concerned about proposals for Federal participation in public-school financing. We oppose expanded Federal aid to education. Adequate Federal assistance for school districts experiencing severe financial burdens resulting from Federal projects should be on a grant-in-aid basis.

"We maintain that the control, administration, and financing of our public school system must remain identified with the smallest unit of Government capable of satisfactory performance."

In light of such a strong stand in the country opposing Federal aid to education as being uneconomical, unwise, and inherently dangerous to the American system of strong, responsible State and local governments, we urge that you exert your full efforts to prevent the passage of measures which would transfer responsibility and control of education to the Federal Government.

Very truly yours,

JOHN H. WEAB, *Executive Secretary.*

Mr. BAILEY. Our first witness this morning is our colleague, the distinguished gentleman from Maryland, Congressman DeWitt Hyde.

You may further identify yourself for the record and proceed with your testimony, Mr. Hyde.

### STATEMENT OF HON. DEWITT S. HYDE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MARYLAND

Mr. HYDE. Thank you, Mr. Chairman.

My name is DeWitt S. Hyde. I represent the Sixth District of Maryland.

Mr. Chairman and members of the committee, for some time in the past I have expressed grave misgivings about the Federal-aid-to-education program for two reasons, primarily: One, the misgivings about the future plans and programs of the leaders in the educational field as to just how far they expect to take the work or extend the work of the schools in the various communities; and, secondly, of course, the one often expressed by many people, that of the extent of Federal control over the schools.

The extent of the future plans and programs, it seems to me, is important to consider while we are contemplating how we are going to keep Federal control to a minimum. Now, as to the plans for the future for our schools by those who are leaders in the educational field and who, you might say, are the educators to our educators, I have with me a document entitled, "A Proposed Educational Program for Montgomery County, Md.," by Dr. N. L. Engelhardt and associates, consultants to the public schools of Montgomery County. I understand that Dr. Engelhardt is a Columbia man.

This particular work was done for Dr. Engelhardt and his associates by Walter D. Cocking, chairman of the board of educators, American School Publishing Corp., New York City, N. Y., and it was a program which was worked up and submitted to the schools not just recently, but is dated April 1, 1946.

I want to make clear that in paraphrasing from the recommendations I am not passing on the advisability or inadvisability of it for the moment. I simply want to offer it to the committee for the committee's consideration in studying this question of the extent to which the Federal Government should have a hand in the local schools.

I am reading from page 24 of this report under the title "Service Program of the School," and this is the service program that is being recommended for the schools in the future by, as I say, leading

thinkers in the field of education who, we might say, are the educators of our educators, because this report was submitted to the board of education and the superintendent of schools in Montgomery County back on April 1, 1946.

Mr. BAILEY. May I request, for the benefit and information of the committee, if it is a general report on general school assistance, or does it confine itself to the question of schools and classroom construction?

Mr. HYDE. It is a report on, just as it says, a general program for the schools, what they contemplate in a proposed educational program, and the extent to which they feel that the school system should enter into the community life, and, as I say, I think it is important for the committee from the standpoint of the breadth of activity which is contemplated for the schools by the leaders in the educational field.

Mr. BAILEY. You mentioned the term "service" there, and that would imply a field beyond which the committee has authority to deal. We are dealing only with school-construction legislation.

Mr. HYDE. I understand that, but, as I say, I think it is important to the committee in its contemplation of this question of how legislation should be drafted to give aid, but at the same time insure a minimum of control.

Mr. BAILEY. Does the gentleman desire to have it inserted as a part of the record?

Mr. HYDE. I will submit to the committee this particular portion of the report; namely, the service program of the schools, in full. But, with the chairman's permission, I would like just briefly to paraphrase some of the recommended programs for the school by this group of consultants.

(This information referred to appears at the close of witness' testimony, see p. 744.)

Mr. BAILEY. You may proceed.

Mr. HYDE. First, under the head of "Health and Medical Services," they recommend that—

In the school of the future such provisions apply not only to children enrolled in the formal school but should be made available to all the people, young and old, who live in the community which the school serves.

That is under "Health and Medical Services."

Feeding services—and I am paraphrasing now, or rather, reading in part:

Not only for the children in the formal school, but for all of the people in the community who need it in connection with actual feeding, there will be provisions for canneries, community gardens, food lockers, refrigeration services, food-storing services, expert dietary guidance.

And then skipping over, guidance and counseling services—

Mr. GWINN. Does the report say whether or not there are any parents in Montgomery County?

Mr. HYDE. It does not enlighten us on that, I will say to the gentleman from New York.

Guidance and counseling services:

Guidance for both children and adults becomes increasingly necessary in a complex society. \* \* \* It will become as customary for all the people of the community to expect the schools to provide such services as it is to expect them to teach reading, writing, and arithmetic.

### Child-care services:

Communities are going to expect the schools in the future to provide a wide variety of competent services related to the very young child.

**Planning and research services:** That is, I suppose they mean the work now being done by planning commissions and other planning groups.

Planning consists of bringing foresight and commonsense to bear upon future decisions. Many problems needing decisions are community or groupwide. All involve the necessity for factfinding analysis and research. It may be competently expected that the school of the future will be asked to take leadership in the development of such services.

### Employment services:

We may expect a very large development in this area of activity.

### Social-welfare service:

The school will not cease to serve at the conclusion of its formal teaching program, nor will the activity be confined to the school building. More and more, the modern school will find a way to be helpful to every family who lives in its area and will take its place in providing assistance where needed in such ways as it is qualified.

Consultative services as expert counsel, investigation and evaluation of the various phases of community endeavor and life—

"it" meaning the school—

will undoubtedly find many ways in which it can be helpful. \* \* \* An experience is gained the community will demand other services. Results which should be desired are that the school make itself indispensable to the community it serves in all phases of its life.

Then it concludes:

In the future development of school programs it is entirely probable that the service program of the school will receive increasing emphasis until the school becomes, in fact, the agency to which all the people of the community turn in need of assistance. When this goal is realized, it can be said that the school not only aids in the securing of knowledge and understanding, but also provides and uses its facilities to serve the community in all of its intricate and complex social and economic life.

Now, I might add that the last page of the report says that this is not just a proposal for Montgomery County, and I quote:

While this program has been outlined with Montgomery County and its unique situation particularly in mind, it is to be understood that the program as a whole is very similar to that which is needed in every other county and community in America.

Now, Mr. Chairman, I offer that simply by way of showing to the committee the future plans that the national leaders in the educational field have in mind for the school system, without at the moment passing judgment on its advisability or inadvisability. But it leads up to this specific suggestion on the matter specifically for the committee at this time, namely, the drafting of a bill giving needed assistance where needed for school-building construction in such a way that it will insure the minimum possibility of any control by a Federal agency.

I welcome the language in the bill, H. R. 8976, introduced by the gentleman from New Jersey, Mr. Frelinghuysen, which I understand is identical to H. R. 8986, by Mr. McConnell. I refer to the language on page 2 under the section entitled "Assurance Against Federal Interference in Schools." That, I think, is a welcome provision in any

legislation such as we are now studying. But I would suggest that we might even go a bit further in that assurance in the language of any bill, and that is, instead of the rather complex language set forth in title I of the bill, where you have a formula by which the Commissioner of Education will determine how much each school is going to get, and along further you have to submit to the Commissioner of Education a State plan under section 104 of the bill, and the Commissioner will approve a State plan, as I understand it, which must be approved before the State is entitled to the money.

Am I not right in that?

Mr. KELLEY. May I interrupt the distinguished gentleman for one moment?

Mr. HYDE. Yes.

Mr. KELLEY. That provision of control is also contained in H. R. 1, on page 80, the same identical one.

Mr. HYDE. I thank the gentleman from Pennsylvania.

Mr. KELLEY. We were very careful about that in framing these various bills.

Mr. HYDE. I thank the gentleman for calling my attention to that. I understood that it was and I beg the gentleman's pardon for not including that in my remark also. But I am suggesting that we can go one step further for that assurance.

Mr. KELLEY. I understand.

Mr. HYDE. The committee knows approximately how much each State is going to get under that program in both bills. As a matter of fact, it is made up in a chart here which I presume has been made by the committee staff. So my suggestion is: Why not simply set forth in the bill an authorization for the appropriation to each one of these States in the amount set forth in the chart upon the State appropriating similar amounts, matching it, and have the funds disbursed by the Secretary of the Treasury. Why is it necessary to go through the Commissioner of Education?

Mr. FRELINGHUYSEN. Mr. Chairman?

Mr. BAILEY. Mr. Frelinghuysen.

Mr. FRELINGHUYSEN. If you would like an explanation of it, I can certainly give you an idea as to what I think the purpose of a State plan is and why it would be far better than to follow the suggestion that you have made.

I know of your deep interest in the field generally and I know how interesting your testimony was when you appeared before this committee before. But I do think it is very advisable to include a State plan with a determination of priorities by States rather than just to turn it over without any more knowledge as to where it is going, because it may not do the job that we are seeking to do with the Federal program.

In other words, if we do not aim it at the areas that need it most, if we do not provide a reasonable degree of control over the Federal dollar—and I do not mean over the educational system in using the word "control"—we may get a relaxation of effort at the local level from communities that are perfectly capable of providing their own schools. We may get a misdirection of the basic funds. So I do not think you are going to provide any extra safeguards by eliminating

the State plan, although it has been suggested by others besides yourself.

If what you are worried about is control, you are not eliminating that as a problem, or as a possibility by eliminating the State plan. The State plan is a way in which the State interposes itself between the Federal Government and the individual school district. But it certainly does not provide any additional controls by the Federal Government except to see that the money is spent well.

And I think if you just turn over X amount of dollars, there is no assurance on vital points.

Mr. HYDE. I recognize the gentleman's reasoning and commend the attempt made and the effort made in that particular section of the bill to see that the money is disbursed on the basis of need. I think that is a commendable method and a commendable purpose. And as far as its purpose is concerned, I applaud it. But I have thought a great deal about this particular phase of it.

The amount of money that is going to be disbursed to the various States, as I understand it, under title I, particularly, and I assume section 102 of the bill, is calculated on the basis that the most money will go where it is most needed, as I understand it. In other words, the distribution under the bill itself is being made on the basis of need.

Is that not right?

Mr. FRELINGHUYSEN. Again it is an open question how the money is going to be distributed. It may or may not be distributed on the basis of need, so-called.

The Kelley bill, as I am sure the gentleman knows, distributes it purely on the basis of school-age population only. The administration bill tries to aim it at the so-called poorer States where there is less per capita income.

Mr. HYDE. That is right. So need is taken into account in the formula.

Mr. FRELINGHUYSEN. It is in the administration proposal.

If that would be accepted, I think that could be an advantage, and I assume you do, too. We should try to aim it at the areas that need it most. And presumably that would have to be done on the basis of per capita income in a particular State.

Mr. HYDE. That is right. So we get back to the basic proposition that the formula itself in title I, section 102, is a formula or an attempt to distribute the money based on need, with the most money to the States where it is needed the most. Is that not correct?

Mr. FRELINGHUYSEN. If we can maintain that in the final bill I think it would be an advantage. And it would include some attempt to aim at the areas that need it most, that is correct.

Mr. HYDE. All right, now. What you are saying—and as I say, I applaud the purpose—when you say that you need section 104 is that you do not trust the States to distribute the money after they get it in a way that is in the best interest of the people in the State, and therefore you have a plan to which you want to make the States conform and which will be checked by the Commissioner of Education and approved or disapproved.

Mr. BAILEY. The Chair would like to make a point here that this is not a compulsory program. The State of Maryland, if you are worried about your administrative problems there, does not have to take advantage of it.

Mr. HYDE. I understand that.

Mr. BAILEY. Then you should not speak of compulsion.

Mr. HYDE. I am not speaking of compulsion. I am simply speaking here of methods, of legislative methods of distributing this money in that way which is calculated to have the least possibility of control.

Mr. BAILEY. It means that the States submit their own plan. Once it is approved all they will be expected to do is carry out the intentions of that plan of their own adoption to build school buildings. All we want to know is that they use it for that purpose, for building school buildings.

Mr. HYDE. I understand that.

Mr. BAILEY. That is the only Federal control we aim to exercise.

Mr. FRELINGHUYSEN. Again I think it is phrasing that awkwardly to say that we are not trusting the States if we include the State plans. It is not a question of distrusting the States; it is an attempt to see that the Federal money is spent as wisely as possible.

Mr. HYDE. That is a euphemistic way of saying the same thing.

Mr. FRELINGHUYSEN. It may be. But I do not think it is a question of distrust if we have a provision like that. There may be an inefficient use of Federal money if we do not have it and therefore reduce the effectiveness of it and perhaps even slow down what the community and States are doing or could be doing.

Mr. HYDE. No. I would say, certainly, although I have had much disagreement in the past with our State board of education and those administering the school program in my own State, nevertheless I would say that I would certainly have faith in the State board of education to the extent that it would, in receiving these Federal aid moneys for areas which needed aid which are in some economic distress and for that reason are not able to provide the schools that should be provided in that community, see that those communities got these funds.

Mr. FRELINGHUYSEN. If we did not have faith, then of course we would not be getting anywhere with any kind of a program. We must have faith in them. We must believe that they are going to do more than they have to solve their own problems or the Federal Government is not going to be of any real assistance in the field at all.

Mr. HYDE. The necessity for the States submitting a plan which must be approved by some Federal official seems to me to at least smack of some lack of faith and trust that the States will do with this money what they feel they should do. You say yourself that it is an attempt to see that the money is used wisely, that it is used for the purpose for which Congress intended it to be used. In other words, it is a checkrein on the States in the use of this money that the Federal Government is going to appropriate for the schools.

Mr. FRELINGHUYSEN. Would you mind telling us again what your objection to a State's plan is?

Mr. HYDE. I think it just creates more possibility of Federal control.

Mr. FRELINGHUYSEN. Federal control of what? We talk so much about Federal control.

Do you mean what is taught in the schools?

How much the teachers are making?

Mr. HYDE. There is no telling how far it will go.

Now, I am certainly in no position—and I will acknowledge to the chairman, and I understand the chairman has asked this before—to

say that all Federal aid in this field is dangerous. We all recognize, anybody who has looked at this thing at all, that we have had Federal aid in various forms for many, many years. And we have recently had the impacted area program of which some counties in my State, about 11 or 12, I believe, as a matter of fact, are the beneficiaries.

The question has been asked me as to whether or not that program has resulted in any control of the schools.

I hesitate to mention this example because I might be misunderstood, but just for the purpose of trying to get at this thing I will give it: In one county in the State of Maryland, before the Supreme Court decision on the question of integration, we had an incident. In the State of Maryland we had segregation. It was the law. Now, I am not for the moment saying the Supreme Court decision was right or wrong. We will assume it is right. It is the law. But nevertheless as of that time it was not the law and our State assumed that their system was right and was legal. Now, one county in the State received money under the impacted area program. Looking to the future, recognizing the rapid growth that we have had in many areas of the State; why, it built a few more classrooms that were necessary to take care of the buildings that they were going to put up with this money for the white children. Then they went back to the Commissioner of Education for the balance of their entitlement, and the Commissioner of Education said, "Well, you have all that you need for your schools now. As a matter of fact, you have some classrooms you are not using."

But they were told by the board of education of that particular county, "This is for white children, and we want this, the rest of our entitlement, for our colored children."

They said, "Well, we can't be bothered about that. We just figure this thing on the basis of the number of children, regardless of their color."

Now, without arguing the right or wrong of that, now since the Supreme Court decision we will assume that the Commissioner of Education was right, philosophically, and legally at that time. Nevertheless, as of that time, that was not the educational program and method of administering the education in the State or in that community. But in order to get the rest of their money they would have had to comply with what the Commissioner of Education thought was right, you see.

Mr. FRELINGHUYSEN. I do not think I understand the point of the illustration.

You are suggesting that the Federal Government might not have counted colored children in determining the amount which the districts should get?

Mr. HYDE. No. As I have been told it, in order to get the rest of their entitlement under that program at that time, they would have had first to have integrated the schools.

Mr. FRELINGHUYSEN. I doubt very much whether that conclusion could have been drawn on the basis of what you have told us. And if there is any such coercion, or call it what you will, on the part of the Commissioner of Education, under the impacted school districts program, I am sure this committee would welcome such a statement, because there again is what we are talking about.

Mr. HYDE. Of course, that particular issue will not arise today, as far as our State is concerned.

Mr. FRELINGHUYSEN. If there is any requirement that communities must do something which they are unwilling to do, such as desegregate their schools, if that has already taken place under the impacted school districts program, I think we ought to know about it.

Mr. HYDE. Well, I was asked for an example.

Mr. FRELINGHUYSEN. I wish you would furnish some details as to what the Federal position was with respect to this.

Mr. HYDE. I will try to get them.

Mr. FRELINGHUYSEN. And maybe give us the name of the school district which failed to qualify because of its failure to meet some Federal requirement.

Mr. HYDE. I will attempt to get that in more detail for the gentleman. But I want the committee to understand that at the moment what I am merely suggesting is perhaps a little more rigidity in the legislation. I am not suggesting for the moment, or not testifying against the appropriation of this money for schools. I am suggesting first that the rather complicated formula which is in section 102 under title I can and has been reduced to figures. And it would be better, it seems to me, to authorize this disbursement in the bill.

Then I suggest as to the State plan, although, as I say, I understand its purpose and applaud the effort to make a distribution and to see that the money is distributed on the basis of need, nevertheless, I submit that the formula itself under section 102 is a formula based on need—at least that is the way I understand it—and would fulfill that purpose.

Mr. FRELINGHUYSEN. It would not fulfill any purpose. The whole point of a State plan is to determine the priorities of the individual school districts so that they could qualify for what admittedly will be a relatively small amount of money compared with the total amount which is going to be spent on construction in any particular State. It is the determination of the priority which is important.

Mr. HYDE. I understand that. But by the language of your bill you have determined how much each State needs or how much each State is going to get under this program.

Mr. FRELINGHUYSEN. But that is only one very small step in a fairly complicated process whereby the Federal Government tries to get into those communities that need it most. In other words, the determination of priorities under the State plan is a key to see to it that the Federal money gets into the right pocket instead of to some community that really has plenty of capacity to build its own schools. And that would be eliminated if there were not any State plan. There would be no assurance of any such thing. You would just be eliminating, it seems to me, a perfectly reasonable safeguard. You certainly would not be increasing the Federal control of the individual school district by providing such safeguards.

Mr. HYDE. I understand the gentleman's purpose.

I say, as far as its general purpose is concerned, I compliment the gentleman and the administration. But I still think that the funds will get to those areas in the States where it is needed under this program through the State boards of education, and will be used for the purposes for which they are intended.



Mr. BAILEY. Will the gentleman yield at that point?

Mr. FRELINGHUYSEN. Yes.

Mr. BAILEY. Mr. Hyde, you are a native, I believe, of Montgomery County.

Mr. HYDE. Yes, sir.

Mr. BAILEY. How many years have you been a Member of the Congress?

Mr. HYDE. This is my fifth year, sir.

Mr. BAILEY. You came into the Congress about the time we were inaugurating the program of school construction under Public Law 815?

Mr. HYDE. That was after. That law was enacted before I came to Congress.

Mr. BAILEY. You have read the administration's bill—Mr. Frelinghuysen's and Mr. McConnell's bill, pretty carefully?

Mr. HYDE. Well, I have read it. I will not qualify how well I have read it.

Mr. BAILEY. You have read Mr. Kelley's proposal?

Mr. HYDE. Yes, sir.

Mr. BAILEY. Now, are you convinced that there is less Federal control in that than there is Federal control in Public Law 815?

Mr. HYDE. Yes, sir.

Mr. BAILEY. Has not your county been accepting money under Public Law 815?

Mr. HYDE. Yes, sir.

Mr. BAILEY. I would like for the record to show that for the year 1952, Montgomery County received \$1,822,375.

Mr. HYDE. Well, if I may interrupt the chairman, it has received about \$4.5 million dollars in all, I believe.

Mr. BAILEY. I am going to bring that total up.

In 1952-54 they received \$3,195,809 and in 1954-56, they received \$2,481,930, for a grand total of \$7,660,695 over the last 6 years.

Mr. HYDE. Yes, sir.

Mr. BAILEY. Is it conceivable that some of that money came from Congressman Ashmore's State?

Mr. HYDE. Yes, sir.

Mr. BAILEY. And Mr. Udall's State of Arizona and Mr. Kelley's State of Pennsylvania?

Mr. HYDE. That is right.

Mr. BAILEY. With which we have been building school buildings for Montgomery County.

Mr. HYDE. That is right.

Mr. BAILEY. Why do you object to legislation to provide for building schools—

Mr. HYDE. I do not want to be rude to the chairman, but if the chairman has followed by testimony closely he will see that I have not made any objection to the appropriation of money for schools. I am talking about methods.

Mr. BAILEY. Well, you will grant that there is a State plan in Public Law 815.

Mr. HYDE. Yes, sir; there is a plan.

Mr. BAILEY. It is more rigid than the State plan proposed in the administration bill and in the Kelley bill.

Mr. HYDE. I will accept the chairman's word on that. I am not qualified to pass on the difference between the rigidity of the two.

Mr. BAILEY. I can assure the gentleman from Maryland that the purpose of this subcommittee is to try to remove every possible Federal control.

Mr. HYDE. I am glad to hear that, Mr. Chairman.

Mr. BAILEY. If we could give them the money without any control of any nature I would favor that plan. So the purpose of the subcommittee will be to write legislation that has the least possible Federal control.

Mr. HYDE. I thank the chairman for that.

Mr. BAILEY. I hope that none of the members of the committee will be misled by your comments on general education because this particular legislation is confined to classroom construction.

Mr. HYDE. I understand that thoroughly, Mr. Chairman.

Mr. BAILEY. Your county has received in aid under Public Law 874 a total of \$1,885,247 for the administration of their schools.

Mr. HYDE. Yes, sir.

Mr. BAILEY. There is far more danger as to Federal control in that legislation than there is in the construction of classrooms.

Mr. HYDE. I am not in a position to agree or disagree with the chairman on that at the moment.

Mr. BAILEY. I think you want to be broadminded enough to know that this is a national problem, the shortage of classrooms.

Mr. HYDE. Well, what does the gentleman from West Virginia mean—

Mr. BAILEY. I am surprised to see you raising the question about the method of taking money for construction for some of the poorer counties when you have some of them in your district outside of Montgomery.

Mr. HYDE. Yes, sir. As a matter of fact, one—

Mr. BAILEY. And why you would question the method of getting at it that way when you did not question it under Public Law 815.

Mr. HYDE. I was not here when that was drafted.

Mr. BAILEY. You have been here since it was reenacted on two separate occasions.

Mr. HYDE. That is right, sir; yes, sir.

Let us assume for a moment that I did not do what I should have done in some cases in the past. That does not mean that one should not try to correct the error of his ways.

Mr. BAILEY. Do you imagine the fact that there are several million dollars involved in school construction in Montgomery County may have had something to do with your attitude?

Mr. HYDE. No, I do not say that. I am simply, Mr. Chairman, sincerely suggesting to the committee methods by which this aim which the chairman says the committee has will be fulfilled to the greatest extent possible.

Mr. BAILEY. Would you favor the Congress making direct appropriations to the States like they did under Andrew Jackson's administration?

Mr. HYDE. The suggestion I am making is that this formula which the committee has worked out, which I understand is the amount of money that will be distributed to each State under section 102, at least of the Frelinghuysen-McConnell bills, or for that matter the

money that is authorized under the Kelley bill, H. R. 1, just be appropriated to the States and disbursed by the Treasury.

Mr. BAILEY. You say that whatever compromise proposal might come out of the committee involving 3 or 4 bills that we have under consideration that you should determine the amount each State should try to get and make the appropriation?

Mr. HYDE. Yes, sir.

Mr. BAILEY. Without any control whatever?

Mr. HYDE. That is right.

Mr. BAILEY. Do you have any questions, Mr. Kelley?

Mr. KELLEY. No, I have no questions.

Mr. BAILEY. Mr. Udall, do you have any questions?

Mr. UDALL. I have no questions.

Mr. BAILEY. Mr. Gwinn?

Mr. GWINN. Mr. Hyde, you raised what I thought was a good point in speaking of control when you referred to the Federal Government having to determine what the need is under this legislation to supply a need, and that implies some measure of control.

If you had read on down in the bill, page 5—

Mr. HYDE. Which bill, now, is the gentleman referring to?

Mr. GWINN. This is the administration bill, 3986.

If you had referred further on you would have found that another factor the Federal Government must determine is:

The "State school effort index" for any State for a fiscal year is the quotient obtained by dividing (A) the State's school expenditure per public school child by (B) the income per child of school age for the State.

That would be, would it not, quite a complicated effort to determine the effort? It would have to do with the tax rate devoted to schools, the homestead exemptions, the percentage of State income per child, whether way below the national average? Would that not all have to be taken into account?

Mr. HYDE. I assume so, Mr. Gwinn.

Mr. GWINN. It says:

except that the State school effort index shall be deemed to be equal to the national school effort index—

and then it goes on to handle Alaska and Hawaii.

We can see plenty of opportunity for judgment of the Federal Government as against the judgment of the State; can we not?

Mr. HYDE. Yes, sir. That is what bothers me. Not only that, it makes it more expensive to administer. If you had the authorization for the funds set out so much money to each State, it would be a matter of a clerk drawing 48 checks.

Mr. GWINN. The chairman said there is nothing compulsory about this legislation. I was interested in that and I hope you were. The chairman is sensitive on the matter of compulsion.

But if Maryland is compelled to pay taxes for Federal aid to education, and gets back under any scheme less than it pays out, would you say there was any element of compulsion in that?

Mr. HYDE. Well, there is a great deal of persuasion, I would say, in it.

Mr. GWINN. Forceful persuasion.

The sheriff comes into your county to collect taxes if they are unpaid, does he not, or the tax collector sues you to make you pay your taxes in Maryland if you are in default, does he not?

Mr. HYDE. That is right.

Mr. GWINN. I notice here that as far as Maryland is concerned, in the testimony of General del Valle, president of the Defenders of the American Constitution, who lives in Maryland, he says that Mr. Sartorius, assistant director of finance and research of the State department of education for the State of Maryland, in answer to a question:

Is the State of Maryland capable of paying its own way and taking care of its educational construction needs?

answered, "Yes."

He also referred to the Maryland Conference on Education "whose report I have here and which I will offer in evidence or leave with you," also comes to the same conclusion.

I take it that was a legislative commission?

Mr. HYDE. I believe it was; yes, sir.

Mr. GWINN. Appointed by the State legislature?

Mr. HYDE. I believe that is right.

May I interrupt the gentleman at that point a moment?

Mr. GWINN. Yes, sir.

Mr. HYDE. The question was asked by me of Dr. Brownell, who was at that time the Commissioner of Education and a Mr. Giddings, I believe the man's name is, of the National Education Association, 2 years ago, I think it was, when we were at that time also studying this problem—I asked both of those gentlemen, and I think I so testified the last time I testified before this committee, whether or not they could and would name one State in the Union which could not adequately provide for the schools if they could and would. I asked them to name one State. And at that time they were unable to name any one State.

I brought that out before the committee the last time I was before it for the purpose of simply highlighting the fact the problem is not that the States cannot, but that many of the States are not doing what they can and should.

Mr. GWINN. Then as you interpret what this committee is trying to do it is that they are indeed trying to make the States do what the Federal Government thinks they ought to do. Is there any escape from that?

Mr. HYDE. I do not see how you can escape from that very much inasmuch as it is argued on all sides that the States are not doing what they can and should do.

Mr. BAILEY. May I interrupt?

Mr. GWINN. Certainly.

Mr. BAILEY. Shall we assume, then, that it would be a good idea to cut off Federal grants-in-aid to Maryland under Public Law 815?

Mr. GWINN. Well, the gentleman—

Mr. BAILEY. You are getting around to that point.

Mr. HYDE. No; I do not think so.

Mr. GWINN. May I say this: Our chairman has mentioned that several times.

Public Law 815 is surely a military obligation on the part of the Federal Government to maintain the Military Establishment. And in that process they have to provide schools for the children on the military reservations.

Mr. HYDE. The purpose was to meet a peculiar situation at a particular and peculiar time, as I understand it.

Mr. GWINN. The Chairman knows we have appropriated money for schools ever since the Military Establishment was started. If the communities take on this burden of educating the children instead of having the educational institutions on the military reservations, then it is obvious that the Federal Government ought to reimburse those school districts whose business is not to educate the military personnel.

Mr. HYDE. I would say that the purpose of those programs is entirely different.

Mr. GWINN. Certainly.

Mr. HYDE. It is entirely different than the thing contemplated in the legislation before the committee at the present time.

Mr. GWINN. I have here a telegram from the Baltimore Association of Commerce, dated February 20, addressed to Fred G. Hussey, clerk of the Education and Labor Committee, reading:

Baltimore Association of Commerce strongly opposed to legislation providing Federal aid for school construction. Believe this is properly a responsibility of individual States or their political subdivisions. Opposition also based on inevitable increase of Federal influence in field of education. No need for such aid in Maryland.

JOSEPH W. CLAUTICE,  
*Secretary, Baltimore Association of Commerce.*

Mr. BAILEY. I assume, Mr. Gwinn, that that is a part of the setup, in the chamber of commerce which does not impart any information to the committee. We are well aware of the position of the Chamber of Commerce of the United States.

Mr. GWINN. You have no right to make such an assumption, which is obviously wrong. There are 48 States in this Union. The Federal Government does not speak for 48 States in many matters, indeed, it should speak very seldom. So that the Chamber of Commerce of the United States does not speak for all of these subdivisions. There are two or three hundred of them.

Would the witness care to indicate whether these statements I have just read, including the last one, fairly reflect the official attitude of Maryland on this subject of Federal aid to education?

Mr. HYDE. Well, what does the gentleman mean by the official attitude? Who does the gentleman mean?

Mr. GWINN. The political bodies of Maryland, such as the department of education.

Mr. HYDE. I could not testify that that reflects the opinion of the department of education, nor could I testify that it does not. I do not know. I do not have that information before me.

Mr. BAILEY. If the gentleman will permit an interruption, I believe the Governor has gone on record as opposed to Federal grants-in-aid.

Mr. HYDE. As opposed to it?

Mr. BAILEY. Yes.

Mr. HYDE. I believe the gentleman is right. But I am not prepared to testify accurately to that.

Mr. GWINN. That is all, Mr. Chairman.

Mr. BAILEY. Mr. Frelinghuysen?

Mr. FRELINGHUYSEN. Mr. Hyde, I would like to clarify your own position somewhat.

As I understand it, you are definitely not appearing to oppose the various proposals which are before this committee. You are making suggestions as to one aspect of one of the ways in which the Federal Government may help if we enact any legislation at all. Is that right?

Mr. HYDE. That is the general purpose of my testimony this morning; yes, sir.

Mr. FRELINGHUYSEN. And you brought up, or the question was brought up, about the ability or inability of any individual State to do its own job of constructing schools for its own children.

I wonder if you would agree with me that the basic question here, and the reason why the Federal Government may take action, is not the inability of any individual State, but the fact that we are not building as many classrooms fast enough such as we as a nation feel we should?

Mr. HYDE. Does the gentleman mean by that that what we are trying to do is, as has been said, stimulate the States?

Mr. FRELINGHUYSEN. Is that not a justifiable and reasonable approach? Would you have any objection to encouraging communities to help themselves and the States to help out where the communities have a basic incapacity to do more than they have?

Mr. HYDE. I have no objection to encouraging the States to do anything that is good. I think it is important, however, to consider the methods we use to encourage.

Mr. FRELINGHUYSEN. What you are trying to do is to help us develop a sound program of Federal assistance. You are not objecting to any kind of a program.

Mr. HYDE. My testimony this morning is confined to that.

Mr. FRELINGHUYSEN. I think it has been helpful for that reason. I just wanted to bring out the fact that what we are trying to do is something that you are in reasonable agreement with. You may disagree as to the specific ways in which we go about a good end. And you have only talked about the grant-in-aid title of the bill.

Mr. HYDE. That is right.

Mr. FRELINGHUYSEN. I am wondering if you would mind just mentioning—and I do not want to prolong the discussion—any of the other titles.

I noticed in yesterday's paper that Maryland is considering setting up a statewide financing authority of some kind to help individual communities issue school bonds at lower interest rates than they otherwise would be able to do.

As you no doubt know, title III of the bill would perhaps encourage the establishment of such statewide authorities, because the Federal Government would agree to make a contribution to the debt that those authorities might incur.

Mr. HYDE. By contribution, you mean service the bonds?

Mr. FRELINGHUYSEN. Servicing the debt would be a contribution to the interest and amortization of bonds which the authorities might issue.

I assume again that you see no objection to that kind of a role on the part of the Federal Government, to lend encouragement to reasonable ways for States to help themselves?

Mr. HYDE. No; that doesn't bother me as much as some other phases of it.

Mr. FRELINGHUYSEN. How about the purchase of bonds by the Federal Government if those bonds only could be issued otherwise at exorbitant interest rates? Do you think that the Federal Government might reasonably set up a program whereby they could purchase bonds and help individual school districts that way?

Mr. HYDE. That does sound like a reasonable program of assistance, yes, sir; although I am at the moment not prepared to say whether or not—

Mr. FRELINGHUYSEN. I do not think we should ask you to go into detail on any of these, but just get your broad approach.

It is the grant-in-aid program that worries you because you are afraid that we may get more control than you want.

Mr. HYDE. Yes; particularly in view of the fact that some criteria are set forth in the bill which the State must meet and which the Commissioner of Education has to pass on and approve which will, it seems to me, get the Commissioner of Education office rather deeply into methods of administering the school systems in the States.

Mr. FRELINGHUYSEN. You have already mentioned the advisability of trying to recognize need where it exists by aiming at the States with lower per capita income.

I would just like to mention one other thing and that is this question of effort which Mr. Gwinn brought up.

Do you think that there should be some way in which communities which have not made an effort should be penalized, and that they should not get funds which would be available?

Mr. HYDE. The matching formula would seem to take care of that.

Mr. FRELINGHUYSEN. It either would or would not. If you do not have any kind of controls over it the State might disregard any effort which the community might have made or might not make.

Mr. HYDE. As I understand it, under the bills, before they would be entitled to money the State is going to have to match the funds; is that not right?

Mr. FRELINGHUYSEN. Again we do not know whether there would be a requirement for mandatory matching on the part of the States. I would like to see it, but that is another open question. It would be matching, presumably.

Mr. HYDE. Yes; that is something the committee is considering.

Mr. FRELINGHUYSEN. Let us assume that that would be a reasonable proposal. That, in itself, would not mean necessarily that there would be a requirement that a local community had made a proper effort before it could qualify for these funds.

Mr. HYDE. Let me say this as far as local communities are concerned: My point of view on this matter at the State level is that it is the State's obligation to see that the children of the entire State have equal and adequate facilities.

Mr. FRELINGHUYSEN. You see nothing wrong with the Federal Government underlining the fact that we think there is an obligation which rests on the State as well as on the local communities by requiring the matching of Federal funds by the States? You would see no objection to that?

Mr. HYDE. If I follow the gentleman correctly, I see no objection to the requirement for matching funds. On the contrary, I think it is probably a good proposition.

Mr. FRELINGHUYSEN. That is all I am asking.

Mr. GWINN. Mr. Chairman, I have one question.

Mr. BAILEY. Make it brief. We have two other witnesses.

Mr. GWINN. I have made it brief.

Would you, Mr. Hyde, approve of a Federal scheme where the Federal Government came to the conclusion that the State of New Jersey had been very negligent with its children and did not seem to have the disposition to build school buildings as fast as the Federal Government thought it should, and where the Federal Government finds that Maryland is especially rich and able to carry the very large share of the burden of stimulating or prodding New Jersey with Maryland's funds to do what it should?

Mr. BAILEY. It was nice of the gentleman from New York not to mention New York State.

Mr. FRELINGHUYSEN. I am sure the gentleman is only using a hypothetical case.

Mr. GWINN. The gentleman is quite aware that I did use a hypothetical question, and I ask him if he would approve of such a situation.

Mr. HYDE. Well, let me say this, first: In our system of government and in our society the general plan of any assistance program is that those who can afford help those who cannot afford. As I understand it, under the formula of this program Maryland would not be pouring money into New Jersey unless New Jersey, according to its economic status, was unable to afford what it needs for its schools.

Now, I submit that that is a legitimate method of distributing funds, Government funds, whether it is on the county, State, or National level.

And, as I understand it, under this contemplated legislation, if New Jersey is not a poor State, Maryland, even though it does have, under your assumption, plenty of money, would not be pouring money into New Jersey. So I think the gentleman's hypothetical question does not meet the situation as it is.

Mr. GWINN. Do you believe in the Federal Government's use of power and compulsion to redistribute wealth, as these bills propose that it should be done?

Mr. HYDE. In order to answer the gentleman's question adequately I would have to have a lot more time than I think the gentleman wants to allot to me this morning. So I would ask the leave of the gentleman to refrain from giving my philosophy on that subject.

Mr. BAILEY. We thank the gentleman from Maryland for his appearance.

We have two other witnesses, and I would like to conclude this program for this morning.

Mr. HYDE. I thank the chairman for his attention and patience. (Information referred to earlier in witness' testimony follows:)

#### THE SERVICE PROGRAM OF THE SCHOOL

In addition to the instructional program already outlined, certain services must be provided if the instructional program is to be conducted effectively, and if the school is to serve and meet the needs of the neighborhood or the community in which it is located. It is to be understood that these services in some cases may be operated jointly with other agencies of the community, while in others they may be made the sole responsibility of the school. Regardless of who



operates them, however, the services are necessary for a well-rounded educational program. The major services which should be provided are:

1. *Health and medical services.*—The school, in cooperation with other agencies of the community, must see to it that health inspections are provided, examinations are conducted periodically, and necessary remedial and followup services are within the reach of all. In the school of the future, such provisions apply not only to the children enrolled in the formal school, but should be made available to all the people, young and old, who live in the community which the school serves.

2. *Feeding services.*—It has been demonstrated through the past 10 years that lunchrooms are necessary adjuncts of a well-rounded school program. Every indication points to a much broader development of these services in the future, not only for the children in the formal school, but for all of the people in the community who need it. In connection with actual feeding, there will be provisions for canneries, community gardens, food lockers, refrigeration services, food-storing service, and expert dietary guidance.

3. *Recreational services.*—The America of the future is going to demand and require a great expansion of present recreational services in both urban and rural areas. Much more ground must be set aside for these uses. Many more facilities of all kinds must be provided. The time to act is now. Careful planning is necessary, and every effort should be made to provide for the utmost flexibility.

4. *Library services.*—As yet, America has not learned the purpose or use of an adequate library service. A modern community in the days ahead will be one which has a well-stocked library easily available to all its people. The library will not only make available the best books, but also works of art and sculpture, audiovisual facilities, etc.

5. *Guidance and counseling services.*—Guidance both for children and adults becomes increasingly necessary in a complex society. Guidance is of at least four kinds: educational guidance, personal guidance, social guidance, and vocational guidance. No school of the future can be said to have completed its program until adequate service in all these lines is provided. It will become a customary for all the people of the community to expect the schools to provide such a service as it is to expect them to teach reading, writing, and arithmetic.

6. *Child-care services.*—We know that much of an individual's life is shaped in the first few years of life. His work in school, his life as an adult, are very largely shaped by his growth and development in the first 4 or 5 years of his existence. Communities are going to expect the schools in the future to provide a wide variety of competent services related to the very young child. Most of these services, other than clinical, will be provided in the home, but will be the joint obligation and responsibility of the family and the school.

7. *Demonstration and experimental services.*—Communities are already demanding that the school demonstrate the efficiency of various activities. The results of demonstrations now will help determine whether or not the people of the community will accept and adopt such services for themselves. For instance, the schools in an agricultural community may investigate which breed of hogs will do best upon a particular diet grown on the land of that neighborhood. When the results are in, the individual farmer can determine, in the light of what the school showed, what his own individual decision should be with respect to his farm.

8. *Planning and research services.*—Planning consists of bringing foresight and commonsense to bear upon future decisions. Many problems needing decisions are community or groupwide. All involve the necessity for factfinding, analysis, and research. It may be confidently expected that the school of the future will be asked to take leadership in the development of such services. Probably in no other way can the school be of greater use to the community it serves than in aiding intelligent planning and research.

9. *Employment services.*—While it is doubtful that the school should accept sole responsibility for becoming the employment agency for the people of the community, yet nevertheless it cannot escape some responsibility for it. Particularly will this be true of the young people of employment age. The past records of physical, mental, and social development are important data with relation to employment. Furthermore, the school cannot escape a responsibility for helping young people to find desirable and suitable occupational pursuits. The coming years will make such services more necessary. We may expect a very large development in this area of activity.

10. *Audiovisual services.*—As schools become more community minded, it may be expected that the schools will become the center for provisions of various audiovisual services. Good movies of an educational nature, radio programs in which the community joins in the discussion of the programs heard over the air, will more and more be centered at the school. The possibilities in these lines are as yet unknown. All that can be said is that they are available. Make provisions now for their development.

11. *Social-welfare services.*—In cooperation with other agencies of society, the school of the future will undoubtedly accept a larger responsibility for the welfare of its people. Just how such services will be provided and in what ways they will take place will be dependent upon needs of the particular community. One thing is certain. The school will not cease to serve at the conclusion of its formal teaching program, nor will the activities be confined to a school building. More and more, the modern school will find a way to be helpful to every family who lives in its area, and will take its place in providing assistance where needed, and in such ways as it is qualified.

12. *Group meeting place services.*—More and more, the school buildings may be expected to become the central meeting places for all the activities in the community. Already some communities have centered all their group meetings at the school. The school building is the one place in the community which belongs to all the people. Furthermore, the school is the only agency which has a building in every community. It is economy as well as good sense to provide, as a part of a school, building facilities which will care for all types and kinds of group meetings needed or desired by the people of the community.

13. *Civic services.*—It is not too much to expect that the modern school of the future will aid in many civic activities. For instance, it may become the center of Red Cross activities, of Community Chest activities, or of any other welfare and character-building services provided by the community. It may well become the center for research for local government. Large possibilities can be found in this area.

14. *Consultative services as expert counsel, investigation, and evaluation of various phases of community endeavor and life.*—Finally, the school of the future will seek to be of assistance in all phases of community endeavor. It will undoubtedly find many ways in which it can be helpful. As experience is gained, the community will demand other services. The end results which should be desired are that the school make itself indispensable to the community it serves in all phases of its life. When such is the case, it can be said that the school does make the community better in which it is located.

In the future development of school programs it is entirely probable that the service program of the school will receive increasing emphasis until the school becomes in fact the agency to which all the people of the community turn when in need of assistance. When this goal is realized, it can be said that the school not only aids in the securing of knowledge and understanding, but also provides and uses its facilities to serve the community in all of its intricate and complex social and economic life.

#### CONCLUSION

The specific task before us in this study was to outline an educational program which the schools of Montgomery County, Md., should develop in order to demonstrate the power of education in the lives of people. We believe that if the program which has been set forth here is developed in keeping with the principles enunciated and within the framework proposed, that Montgomery County will have a necessary and effective program which will meet its future needs. We believe, furthermore, that through the operation of such a program it will demonstrate to people everywhere the potential power of education, and it will show the improvements for good living which such an educational program makes possible.

While this program has been outlined with Montgomery County and its unique situation particularly in mind, it is to be understood that the program as a whole is very similar to that which is needed in every other county and community in America. The methods used in its attainment, and the conditions and facilities, on the other hand, might vary considerably. No attention has been given in the report to the ways and methods which might be used in developing and operating it. There are two reasons for this: (1) The author of the report is not in a position to suggest how all of this program should be developed or put into

operation; and (2) even if he were competent, it would be undesirable for him to do so.

The uniqueness of the program to Montgomery County and also its effectiveness are dependent upon its being developed by the people who live in Montgomery County, and particularly by the board of education, the administrative and supervisory staff, and teachers of the Montgomery County schools. Nor is it to be expected that even they will plan the development of the entire program at any single time. Its development is a matter of evaluation which must take place over a period of many years. The sensitiveness of the people and the school officials to the needs in the local situation will determine the order of development and the methods used in its realization. It is important, however, that the people of Montgomery County and the school personnel have clearly in mind the goals they hope to achieve, and, when they are accepted, to provide an orderly procedure for the development of the program.

Mr. BAILEY. Our next witness is Mr. Ashmore.

You may take the witness stand and identify yourself to the reporter, Mr. Ashmore.

### STATEMENT OF HON. ROBERT T. ASHMORE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF SOUTH CAROLINA

Mr. ASHMORE. Mr. Chairman, I am Congressman Ashmore from the Fourth District of South Carolina. I would like to testify on behalf of the bill that I introduced on this subject, H. R. 4498. I do not know that you gentlemen have read it. Having been on similar committees I fear that probably everybody is not familiar with it, so I would like to refer to it in the beginning somewhat in detail.

This bill provides for assisting States and local communities to devise means of solving the financial problems arising out of their obligation to construct and to maintain an adequate system of public schools.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby finds—*

(1) on the basis of the information available to it, that the resources available to States and local communities, if fully utilized, are sufficient to solve the financial problems arising out of their obligation to maintain an adequate system of public schools.

(2) that the States and local communities have an obligation to meet the financial problems of maintaining an adequate system of public schools, and

(3) that the national interest requires that the Federal Government make available to States and to local communities which have not yet successfully solved the financial problems of maintaining an adequate system of public schools the experience gained by the many State and local communities which have solved such problems and the information and knowledge obtained at the White House Conference on Education.

Section 2 sets up an Advisory Council on School Financing, the Council to be composed of the Secretary of Health, Education, and Welfare, the Secretary of Commerce, the Chairman of the Federal Reserve Board, and four persons to be appointed from private life by the President. The four persons to be appointed shall be (1) an expert in construction engineering, an expert in State and local taxation, an expert in the operation of State and local governments, and an expert in the making of educational surveys.

The members of the Council who are in the executive branch of the Government shall serve without compensation, and those from private life shall be compensated at the rate of \$50 per diem, and all are to be reimbursed for travel and subsistence, and so on.

The Council shall perform the duties vested in it as provided in this bill.

Section 3 provides that the Commissioner of Education shall conduct an intensive study of the means by which States and local communities have met the financial problems of maintaining an adequate system of public schools.

Section 4 provides that when requested to do so by a State educational agency or by the governing body of a local community, with the approval of the State educational agency, the Commissioner of Education shall make a thorough survey, examination, and study of the financial problems confronting such State or local community in maintaining an adequate system of public schools.

You will note that that study and survey will be made only when requested from the States and some local community that might exist in any of the States. But it must come through the educational agency of the State.

The Commissioner shall prepare a diagnosis of the financial problems of the State or community in maintaining an adequate system of public schools and shall formulate recommendations for the solution of the problems. These diagnoses and recommendations shall be submitted to the Council, which shall consider them as expeditiously as possible. When the diagnosis and recommendations with respect to financial problems of the State or local community in maintaining an adequate system of public schools have been approved by the Council they shall be submitted to the State educational agency and to the governing body of each local community involved for implementation.

The financial problems of maintaining an adequate system of public schools shall be deemed to include only the problems of financing in these four instances: the construction of school facilities; the provision of new, up-to-date equipment for its buildings; the provision of adequate supplies for the school system; and payment of teachers' salaries sufficiently high to insure that qualified persons will be employed.

You will notice that this bill does not provide any funds in the way of Federal aid. It recognizes that there are instances in this country in many communities where additional school facilities are needed. But in line with the finding of the President's Conference on Education it points out the fact that the States are financially able to meet the needs of their own schools in each State. This Conference on Education, as I recall it, found that there were many needs for additional school facilities, but it did not find that a single State in this Union was unable to provide those needs.

This, in a sense, provides technical assistance. It will point out, upon request from the States, what the State needs and recommends the best means of providing those needs. It would be a way of encouraging and helping by giving technical advice and technical assistance and it would stimulate the States to do what the experts in the educational field and construction field feel, or believe, that a particular State and local community within the respective State needs to meet their own needs.

It will avoid the question that many of us are worried about as to whether or not financial aid from the Federal Government would ultimately mean financial control by the Federal Government. It

would also avoid the bad psychological effect that funds from the Federal Government handed down to the States would have on the States in meeting their own needs. None of those things of that nature would arise under this bill.

Furthermore, this bill does not conflict with the other bills that have been introduced that do provide financial aid. It seems to me that this bill could be passed without regard to the other bills. And I think that this system or this policy should be given a chance before the Federal Government goes into the field of handing out money to the various States. It might, and I hope and believe that it would encourage and stimulate the States to do all that is necessary without ever getting to the point where the Federal Government feels that it should give funds.

Mr. BAILEY. Is the gentleman from South Carolina familiar with title IV of the administration bill?

Mr. ASHMORE. Somewhat familiar, although I am not as familiar with the bill this year as I was last year, Mr. Chairman, when we had it up for consideration.

I understand that there is a similar section in one of the bills to my bill, although not entirely the same.

Mr. BAILEY. Title IV provides Federal grants-in-aid for matching on the part of the States to make a study of just what you are proposing here as a nationwide study. Title IV would provide Federal grants to match State funds to be used in making those surveys. That is just what you are proposing to establish in your overall group.

Mr. ASHMORE. Yes, sir. But it also provides for the Federal Government to appropriate moneys to the States provided the States match it, if I understand it correctly. My bill does not provide any funds to be appropriated.

Mr. BAILEY. It provides a total of \$20 million over the 4 years to be used for that purpose of making those studies.

Mr. ASHMORE. Making the surveys.

Mr. BAILEY. The Chair is compelled, at this point, to say that it does not have anything to do with school construction and we possibly should ask you to come back and present it at a meeting of the committee later on when we are dealing with other legislation. It really does not have anything to do with the question of actual school construction.

Mr. ASHMORE. Well, it provides technical assistance and advice and counsel and encouragement and help of that type.

Mr. BAILEY. You would just prolong the recent White House Conference on the question by setting up this commission asking that we delay school construction until those facts could be ascertained.

Mr. ASHMORE. No, sir; I don't ask that.

Mr. BAILEY. If there is any excuse for Federal action at this time, it is due to an existing emergency, and it would not permit us to delay action unless we do irreparable harm to our schools and our boys and girls in classroom opportunities.

Mr. ASHMORE. My point is not that we do not need schools, but it is not the Federal Government's place to provide the funds to do it.

Mr. BAILEY. When I failed to get the grant bill through this committee in 1950, I pretty much dropped the idea of general Federal grants-in-aid and have been confining my efforts to the question of getting some classrooms built.

Why continue these conferences and commissions and studies when we all know that there are 160,000 classrooms short now, and unless we do something about it we are going to have more classrooms short.

Mr. GWINN. Mr. Chairman, I would like for the record to make a note and underline it, if we will, so it will not have to be repeated.

When the chairman says that we all know there are 160 classrooms short-----

Mr. BAILLY. One hundred fifty-nine thousand.

Mr. GWINN. One hundred fifty-nine thousand--I do not know whether this record shows that it is 160 or 160,000. But at any rate, there is very sharp disagreement with the statement that we all know that we are short so many classrooms. Indeed, I think the testimony before this committee is going to show rather conclusively that we have not the slightest idea how many classrooms short we are, whether they are in rich districts or whether they are in poor and the needy districts, if there are any, and that the States cannot take care of them.

Mr. ASHMORE. On that point, I would like to say that there is somewhat of a great miscomprehension about how many classrooms are short for various reasons, I think, one of which I will point out here from an article that comes from my hometown newspaper which refers to a statement by my governor, Governor Timmerman, in reply to a request from this committee, I think. It is dated Saturday.

Timmerman said figures issued by the United States Department of Education showed South Carolina faced with an acute classroom shortage "illustrates how feeble statistics can be without sufficient information for proper interpretation."

The Federal agencies' estimate that the State is--that is, South Carolina--

"short" 1,053 classrooms is based on a State education department report that money to build that many classrooms is actually being spent in South Carolina this year, Timmerman said.

Somebody has taken the idea that we are short that many because we are actually constructing that many classrooms this year, 1,053 classrooms.

Mr. FRELINGHUYSEN. If the gentleman will yield, according to these same figures from which that basic information was taken, your State reports that there were scheduled for completion during the school year 1956-57, 1,186 classrooms and that the excess enrollment during the same school year needed 1,053 classrooms. In addition to that, to replace unsatisfactory facilities there would be needed an additional 4,500 classrooms. That is all from the same survey made by the Office of Education. I thought for the sake of the record we might include all of the information which was supplied by what I would assume would be a fairly authoritative body from your own State.

Mr. ASHMORE. Yes, sir. And we are meeting those needs. We are not asking the Federal Government to help us comply with the needs in our State. We are doing it ourselves, and South Carolina, as I will point out here a little further on in this article, is next to the lowest in per capita income of any State in the Union. If South Carolina can do it there is not a State in the United States that cannot do it.

Mr. FRELINGHUYSEN. If you are only building 1,100 classrooms and you need 4,500 to replace obsolescent or obsolete classrooms, it does not seem to me you are quite holding your own with the need.

Mr. GWINN. Will the gentleman yield?

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'That is like the chairman's statement that all of us know these things.

Mr. FRELINGHUYSEN. I am not saying we know specifically the nature, the degree of the problem. And I just think that we cannot for sure know one way or another. But these figures would tend to indicate that South Carolina had a certain problem complicated by the fact, as you have just pointed out, that your per capita income is low.

Mr. GWINN. Will the gentleman let me make a further comment to my friend from New Jersey?

You refer, Mr. Frelinghuysen, to this sheet which I believe is called Circular Report 400. I would like to correct the gentleman. There is no survey at all. These are answers to a questionnaire. Nobody went to South Carolina.

Mr. ASHMORE. That is right.

Mr. GWINN. Nobody went there from the Department of Education to make a survey anywhere in South Carolina?

Mr. ASHMORE. I have never heard it if they did, and I don't think they did.

Mr. GWINN. And South Carolina, so far as this shows, has never made a survey in the sense that you sent competent persons to report to anybody that you are short so many classrooms.

Mr. FRELINGHUYSEN. Call it what you will, and question the figures as much as we want, we still are not going to solve the problem by bickering among ourselves as to whether this is a survey or an answer to a questionnaire. I would be glad to correct the record and call it "answers to a questionnaire." All I was trying to do was to point out that on the face of it, it would look as if South Carolina had a problem of some proportions.

That is not saying that you need Federal aid or you want it as a State.

And I do not think that we need to involve ourselves. You certainly are entitled to record what the Governor says, that he is not interested, that the problem is under control. But the facts of the matter seem to say that there may be some question about it.

In any event, this is not going to help us in the specific proposal.

Mr. BAILEY. Will the gentleman from New Jersey yield at this point to the Chair?

Mr. FRELINGHUYSEN. Yes.

Mr. BAILEY. I would just like the gentleman to explain a little more in detail the Governor's statements in response to a request from this committee for information. Go back to the beginning of that.

This committee has never made any request of Governor Timmerman, of South Carolina, for information. If it was, it was some individual member of the subcommittee. There has been no action of the subcommittee. Certainly the chairman knows nothing about ever asking the Governor of South Carolina.

Mr. ASHMORE. Maybe I interpreted that wrong, Mr. Chairman. I will read the whole article.

Timmerman today told the Congressmen, South Carolina is meeting its own school building needs and wants no part of Federal aid to education.

Timmerman said figures issued by the United States Department of Education—

evidently it was from that Department instead of this committee. But I thought it referred in here somewhere to the subcommittee. It

is the sheet, I suppose, that Mr. Gwinn, my colleague, referred to.  
 Mr. GWINN. That is right.  
 Mr. ASHMORE (reading):

Timmerman said figures issued by the United States Department of Education showing South Carolina faced with an acute classroom shortage "illustrates how flimsy statistics can be without sufficient information for proper interpretation."

I would like to quote further from the Governor, and this is a quote:

"The figure—

that is, these classrooms we have been referring to, 1,053—

"is not a statistic of a shortage that is not being met—it is an estimate of a need that is being met." Timmerman pointed out in a written statement submitted to a subcommittee of the United States House Education and Labor Committee.

I thought that was in here somewhere, so you must have it or it must be on the way, at least.

Timmerman pointed out in his reply that the State has spent approximately \$170 million to build 8,000 new classrooms since 1951, all from State funds, although it has the second lowest per capita income in the Nation.

"South Carolina . . . has been able to accomplish this without Federal aid," the Governor emphasized. "We in South Carolina are opposed to Federal aid to education."

"It is folly to think that Federal aid will not mean additional taxation," Timmerman continued, terming such taxes "the opening wedge for central control of our public school system," leading to "thought control."

The Governor pointed out that South Carolina, 48th in the Nation in per capita income, is also second highest in the Nation in its percentage of school-children to total population.

The State must educate 30 percent more children in proportion to population than the average State, he added, "and this 30 percent greater burden must be borne by 19 percent fewer adults."

"But South Carolina and some other States have tackled the school problem head-on and are fast alleviating their shortages," he said.

"Some States may have failed to do all that they could do in the field of school construction, but that is a poor pretext for Federal aid," he concluded.

Gentlemen, South Carolina, if I understand correctly, is not the only State that is meeting its needs. I understand the testimony before this committee has shown that the State of Michigan is meeting its needs also by rearranging its financing and doing some of the things that I would do in this bill—get advice from experts and show how even the Constitution might be amended so that the bonded indebtedness of certain school districts can be increased.

Mr. GWINN. Off the record.

(Discussion off the record.)

Mr. BAILEY. The Chair would make the point at this time that under Public Law 815 there was a survey made.

Mr. GWINN. That is good. Of course we know that. That is what we ought to do in this case. They made a survey that was actual.

Mr. ASHMORE. Since then we have done all this, spent \$170 million to meet these needs. That is since 1951 when Jim Eyrnes was Governor.

Mr. BAILEY. This report here assumedly coming from your State school authorities said that you actually are building 1,100 and some classrooms this year and that the increase in school population showed that you need to build 1,900. And that does not say anything about the 4,500 that need to be replaced.



So I think the gentleman from New Jersey is correct in saying that while you have done a lot of work toward solving your problem you certainly have not solved it if you have a difference between 1,100 and 1,000 that you are short because of increased population, and then in addition, the 4,500 to be replaced.

Mr. GWINN. If these figures are correct.

Mr. BAILEY. You have still got over 6,000 classrooms to go.

Mr. GWINN. The chairman will have to admit that is subject to correction as to whether or not 4,500 is correct. You will notice that it is a round figure—4,500, they say, you need to replace.

Mr. FRELINGHUYSEN. Mr. Chairman, maybe Mr. Ashmore could supply us with other figures.

But for the want of better figures we could have an indication that there is a severe shortage of classrooms in your own State.

I would like to point out—and I know that you are opposed to the general principle of Federal aid—

Mr. ASHMORE. Yes, sir.

Mr. FRELINGHUYSEN. If the Eisenhower program should be adopted and \$325 million were made available, your State would get \$8,727,000 to be matched by \$4,863,000 by your State. So you will get substantial funds, being a so-called poor State, which you do not now get in the form of Federal money. So the argument that we cannot afford this kind of a program certainly would not apply, so far as the South Carolina taxpayers go because they stand to benefit substantially in terms of dollars, at least from a grant program which would aim at the areas that we think need it most.

Mr. ASHMORE. But we operate on the philosophy that it is our job to do that. And all that we need, if anything, is encouragement. We do not think we need encouragement, but all that the Federal Government is obligated to do under the Constitution, or any other concept, is to give such aid as they can by technical assistance and advice and counsel and encouragement and stimulation.

Mr. FRELINGHUYSEN. Traditionally, the greatest kind of encouragement has been a financial one.

Mr. ASHMORE. Yes, sir. And he think, and many other people think, that where financial Federal aid goes also Federal control will ultimately follow.

Mr. FRELINGHUYSEN. Do you have any hospitals in your State built with Federal money?

Mr. ASHMORE. Yes, there are some there, I am sure.

Mr. FRELINGHUYSEN. Is there any Federal control of those hospitals?

Mr. ASHMORE. Well, not that I know of offhand, no, sir.

Mr. FRELINGHUYSEN. Was there any fear of it ever?

Mr. ASHMORE. I do not believe there was.

Mr. FRELINGHUYSEN. Do you think there is any more reason that a building that is going to be used for a school is going to be subjected to Federal control than a hospital?

Mr. ASHMORE. Yes. I think there is a vast difference in that, and even in the impacted area situation that the chairman has spoken about when my colleague, Mr. Hyde, was testifying, around military encampments. When those programs were started we did not have the decision of the United States Supreme Court of May 17, 1954,

which opens the door and now, in my opinion, and in the opinion of many great lawyers—I did not say “other”—many great lawyers in this country it would not be necessary for legislation to be passed for the Federal Government to take control over the school situation. It would only be necessary for the President or for the Commissioner of Education in the United States to pass an Executive order saying that you do not get those funds unless you do what they say regarding the construction, use and maintenance of these buildings and these school facilities.

Mr. FRELINGHUYSEN. That is a very practical objection, though. You are afraid that you may have to desegregate your schools more rapidly than you would like.

Mr. ASHMORE. Not necessarily the desegregation.

Mr. FRELINGHUYSEN. I can understand that fact.

Mr. ASHMORE. I do not mean just to avoid segregation. I mean the overall picture of the decision of the Supreme Court makes it possible, in view of those decisions and others since then, for these things to be done without any legislation, but simply by Executive order. They can take control of the schools. And that is ultimately what will happen when the Federal Government puts its money in, in the light of late decisions of the United States Supreme Court.

Mr. BAILEY. You could be drawing on your imagination there, could you not?

Mr. ASHMORE. I am drawing on it as a lawyer there; yes, sir. Not on my imagination, but on my opinion as a lawyer for 28 years.

Mr. BAILEY. Can you point out any instance where the Federal Government has in any of its programs held up funds?

Mr. ASHMORE. We have not had this decision long enough for many instances to occur.

Mr. BAILEY. Do you not have the segregation problem in districts that are being aided under Public Law 815, and has there been any move on their part to hold up money to those schools?

Mr. ASHMORE. We have not been told to put into execution the integration law in any of those districts; no, sir. We have not met that issue yet in South Carolina.

Mr. BAILEY. That is what you are assuming they have a right to do right now, and hold up money under Public Law 815 or under the Hill-Burton Hospital Act.

Mr. ASHMORE. I think they could; yes, sir.

Mr. GWINN. I might ask the chairman if he does not agree with the witness.

Mr. ASHMORE. That is right; I would like to know what the chairman thinks about it, although he is not a lawyer.

Mr. BAILEY. The Congress has never enacted any statutory legislation on this question. That is just a decision of the Supreme Court interpreting the Constitution. And I do not think they have got any right in there until Congress has legislated. If we pass some kind of legislation here they might raise that question as a result of that particular legislation. But so long as it is only an interpretation of the Constitution by the Supreme Court, no executive officer would have any right whatever in that field to hold up those funds.

Mr. ASHMORE. I remember last year, Mr. Chairman, during the debate of this question on the floor, several lawyers admitted that it

could be done. And if I am not sadly mistaken, one of them was a former judge from Montana who stated that, in his opinion, the Federal Government could issue such an Executive order and take control without any legislation in the light of new late Supreme Court decisions.

Mr. FRELINGHUYSEN. Mr. Ashmore, I would just like to ask you the basic purpose for your own bill. You refer to the adequacy of the school system. Is it because you feel that our public school system today is inadequate that you are proposing this?

Mr. ASHMORE. I think that there are needs in many places, yes, sir.

Mr. FRELINGHUYSEN. And do you think the Federal Government has a responsibility to help out?

Mr. ASHMORE. In the way of technical assistance, to that extent, yes.

Mr. FRELINGHUYSEN. So you recognize that it is desirable to fully utilize the State and local resources?

Mr. ASHMORE. That is right.

Mr. FRELINGHUYSEN. And you have to have the Federal Government take an interest in that full utilization of resources?

Mr. ASHMORE. Yes, sir, that is right.

Mr. FRELINGHUYSEN. Thank you.

Mr. ASHMORE. Not financial interest.

Mr. FRELINGHUYSEN. Well, basically, the utilization of resources is a financial problem.

Mr. ASHMORE. Well, it does not necessarily follow that it must be or that it should be.

Mr. FRELINGHUYSEN. I would assume that utilization of resources in building classrooms depends on where you put the money to build them.

Mr. ASHMORE. Yes.

Mr. FRELINGHUYSEN. In that case it is entirely a financial question.

Mr. ASHMORE. But the only obligation of the Federal Government is to give advice and technical assistance to the best method to raise that money and to obtain the funds locally and in the States to meet those needs.

Mr. FRELINGHUYSEN. There may be a difference of opinion, of course, as to what the role of the Federal Government might be in that.

Mr. ASHMORE. Sure.

Mr. FRELINGHUYSEN. I recognize your position. I wondered if you felt there was a problem and if you felt the Federal Government did have an interest in seeing to it that local and State resources were applied.

Mr. ASHMORE. I admit there is a problem, there is a need, and I think the Federal Government, under the general welfare of the people, should render such assistance as it can in the way of technical aid and advice and encouragement.

Mr. BAILEY. The Chair would like at this point to say to the gentleman that in view of your testimony here in which you say you are opposed to Federal grants-in-aid for education, and South Carolina does not want them, that your proposal is just a delaying tactic.

Mr. ASHMORE. No, sir.

Mr. BAILEY. No?

Mr. ASHMORE. No, sir, I do not say that. I do not say that it should be delayed. I say the need should be met as quickly as possible.

Mr. BAILEY. You would set up a Commission here where it might be 3 or 4 years.

Mr. ASHMORE. No, sir. I disagree with the Chair.

Mr. BAILEY. The Chair is of the opinion that it does not have anything to do with school construction legislation. If you want a hearing on the bill separately as a separate proposition, on which the Congress might take action, we will certainly give you an opportunity after we have disposed of this school construction proposal.

Mr. ASHMORE. I think it could expedite the school construction in many of the districts where the need exists and where they seem to have financial difficulties, constitutional bond issue limits, and things of that kind, where the law does not permit them to issue bonds over a certain percentage of the property value, and the high rate of interest.

Mr. BAILEY. That is what is proposed to be done in title IV of the administration bill, is to make that survey.

Mr. ASHMORE. Yes; but it carries a lot more than that, the other bill does.

Mr. BAILEY. We thank the gentleman and we leave it up to you if you want to be heard on it as separate legislation.

Mr. ASHMORE. Thank you.

Mr. GWINN. May I ask Mr. Ashmore one question?

I wonder, Mr. Ashmore, do you know the superintendent of education in the State of South Carolina?

Mr. ASHMORE. Yes, sir.

Mr. GWINN. Would it be too much trouble for you to get from him how those figures that appear in circular 400, starting with the 1,953 schoolroom shortage, were prepared and whoever gave such a report to the United States Office of Education? How the United States Office of Education got the round figure 4,500 classrooms to replace unsatisfactory facilities?

Mr. ASHMORE. 4,500 is it?

Mr. GWINN. 4,500.

And does that do away with all rented classrooms, all Sunday school rooms, and all other so-called facilities?

Mr. ASHMORE. I am sure that those figures would meet the ultimate and the ideal situation, which I suppose does not exist in any State or any city, probably, in the Union.

Mr. GWINN. That is right. We are always in somebody's Sunday school room, aren't we?

Mr. ASHMORE. That is right, lots of churches.

Mr. GWINN. Another figure is the number of schoolrooms scheduled for completion in the school year 1956-57 is shown here on Circular 490 as 1,086, instead of the 1,953 which the Governor says are being finished.

How did the United States Office of Education get those figures?

Mr. ASHMORE. Yes, sir. I will certainly take it up with the State superintendent of education.

Mr. BAILEY. Should the gentleman supply the information requested it will be placed in the record at this particular point.

Mr. ASHMORE. Thank you, Mr. Chairman.

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Mr. BAILEY. If you are prompt in supplying it.

Mr. ASHMORE. I will write today to get it.

Mr. GWINN. Another question, Mr. Ashmore, has been raised by the clerk.

What is the definition of "classroom" in South Carolina? Is it just a single classroom or does that take in gymnasiums, auditoriums, swimming pools, down there in Charleston, undoubtedly, and what is an unsatisfactory classroom?

Mr. ASHMORE. Yes, sir.

Mr. GWINN. How many of them have you got?

Mr. ASHMORE. I shall be happy to try to get that.

(The information referred to will be available for reference when furnished.)

Mr. BAILEY. We are indeed sorry that our hearings dragged out this morning to the extent that we eliminated one witness.

We would like to say to that witness that if he will report to the committee hearings tomorrow he will be afforded an early opportunity to present his testimony.

In addition, for tomorrow's program we have the Honorable Herbert Zelenko, Member of Congress from New York, with a representative of the State Education Department of the State of New York; Steve Stahl, director of the State Taxpayers Association of Oklahoma.

The committee will convene tomorrow in the Merchant Marine and Fisheries Committee room, room 219, in the Old House Office Building, and not here in this committee room. That is due to the fact that the Subcommittee on Labor is convening here tomorrow for subcommittee hearings. We are transferred to room 219 of this building.

The committee will stand in recess until 10 o'clock tomorrow morning.

(Whereupon, at 12 noon, the subcommittee was recessed to be reconvened at 10 a. m., Tuesday, March 5, 1957, in room 219, Old House Office Building.)



# FEDERAL AID TO STATES FOR SCHOOL CONSTRUCTION

TUESDAY, MARCH 5, 1957

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON GENERAL EDUCATION  
OF THE COMMITTEE ON EDUCATION AND LABOR,  
Washington, D. C.

The subcommittee met at 10 a. m., pursuant to recess, in room 219, Old House Office Building, Hon. Cleveland M. Bailey (chairman of the subcommittee) presiding.

Present: Representatives Bailey, Gwinn, Frelinghuysen, and Haskell.

Also present: Representative Zelenko.

Staff members present: Fred G. Hussey, chief clerk; and Kennedy W. Ward, assistant general counsel.

Mr. BAILEY. The subcommittee will be in order. The clerk will call the roll to ascertain if a quorum of this committee is present.

Mr. WARD. Mr. Bailey?

Mr. BAILEY. Here.

Mr. WARD. Mr. Kelley?

(No response.)

Mr. WARD. Mr. Metcalf?

(No response.)

Mr. WARD. Mr. Udall?

(No response.)

Mr. WARD. Mr. Gwinn?

(No response.)

Mr. WARD. Mr. Frelinghuysen?

Mr. FRELINGHUYSEN. Here.

Mr. WARD. Mr. Haskell?

Mr. HASKELL. Here.

Mr. BAILEY. Will you mark Mr. Metcalf as present? He is on his way to the committee.

Mr. WARD. A quorum is present, Mr. Bailey.

Mr. Bailey, I have to be inserted in the record at this point, certain correspondence received pertaining to the school construction, and with your permission we will do so.

Mr. BAILEY. You may give us the salient points of the material for inclusion in the record.

Mr. WARD. I have a letter from White Pine Chamber of Commerce and Mines; one from the Iowa Taxpayers Association; one from the Rantoul, Ill., city schools; one from the Montana Taxpayers' Association; one from the Colorado division, American Association of University Women; and one from a group of women in San Francisco, Calif.

Mr. BAILEY. The Chair has some material that I desire to enter into the record at this time. It is a series of telegrams:

Based upon actual survey and the estimate that 1,400 classrooms will be constructed in Tennessee during the present school year, there will yet be needed in

Tennessee 9,000 additional new classrooms between the close of the year 1958-59 and the opening of the year 1959-60 to take care of increased birthrate, shifting population, and obsolete facilities. The survey referred to was made in 1952; was rechecked in 1966 and is being rechecked again at the present time.

(Signed) **QUILL F. COPE,**  
*Commissioner of Education.*

By J. B. CALHOUN,  
Supervisor, Federal Projects, State of Tennessee.

**This telegram is from the State of Oklahoma :**

This wire is to evidence our support of a recommendation for passage of the Federal assistance bill for the public schools. I sincerely hope that the hearing committee will not accept the statements opposing the measure by anyone who might personally appear at the hearing as reflecting the desires of the rank and file of the people of Oklahoma. If Steve Stahl of Oklahoma should appear at the hearing opposing this measure you will do me a great service by making available to me his complete testimony as quickly as possible. Thank you very kindly for your great effort.

(Signed) A. W. Swirt,  
President, Oklahoma State School Boards Association.

**This telegram is from Utah:**

Confirmation of data for Utah in reply to Office of Education questionnaire October 1950, shows overcrowding on basis of normal load 30 children enrolled correct. Approximately 13,000 second questionnaire on obsolete classrooms and personal check with key school districts show gross underestimate. Correct figure is 830 rather than 277. Congressman Dixon given latest data last Friday.

(Signed) **E. ALLEN BATEMAN,**  
*State Superintendent.*

**This telegram is from Kentucky :**

Understand opponents Federal aid for schoolhouse construction question my estimates of Kentucky classrooms needs before subcommittee February 13 and estimates made to Office of Education, October 1956. All figures presented can be fully documented. Resent exceedingly efforts of opponents to discredit estimates. I reemphasize the imperative need for immediate legislation providing Federal assistance.

ROBERT R. MARTIN,  
*Superintendent of Public Instruction.*

**We have one telegram from the State of Florida:**

At our present rate of population increase we could conceivably have underestimated our need for the next 5 years.

(Signed) THOMAS D. BAILEY.

**We have one from Des Moines, Iowa:**

The estimate of school facilities needs made in reply to Office of Education questionnaire of October 1956 for State of Iowa are valid and accurate estimates. If the estimate errs it would be on the conservative side so far as needs are concerned.

(Signed) J. C. WRIGHT,  
State Superintendent of Public Instruction, State of Iowa.

**Oklahoma City, Okla.:**

We understand that Steve Stahl of the Oklahoma Public Expenditures Council is again appearing before the Education Committee in opposition to Federal aid for schoolhouse construction. Such action on his part was not unexpected. He does not represent the feeling of the majority of Oklahoma citizens. He opposes measures at the State and local level designed to aid schools.

(Signed) F. E. WILLINGHAM,  
Director, Field Service, Oklahoma Education Association.

We have a second wire from the superintendent of schools of the State of Florida:

Estimates of Florida's school facility needs made in reply to Office of Education questionnaire October 1956, reaffirmed as accurate for Florida. At our



present rate of population increase we could conceivably have underestimated our needs for the next 5 years.

Mr. GWINN. That is signed by whom?

Mr. BAILEY. Signed by Thomas D. Bailey, superintendent of schools.

This one is from Little Rock, Ark.:

It is my understanding that the authenticity of our estimates of school facilities needs has been challenged before your committee. You are to be advised, sir, that based upon information secured and verified through a statewide survey conducted by this department under the provisions of title I, Public Law 815 and kept current that we need a total of 8,324 additional instruction rooms; 3,454 to accommodate excess enrollment and 4,870 to replace outmoded temporary and unsatisfactory facilities. Actually these are conservative estimates. Our needs are increasing as a result in the increase in urban population and corresponding decrease in rural population and school administrative unit reorganization, resulting in the elimination of a large number of 1- and 2-teacher schools. No other comprehensive inventory of school housing requirements has ever been made in this State and any statement of our needs not based upon verified factual information should be discounted. We resent any statement of our building needs which is not verified by competent research.

A. W. FORD,  
*State Commissioner of Education.*

This one is from Raleigh, N. C.:

Estimates of North Carolina school facilities needs submitted upon request of United States Office of Education in October 1956, represent conservative judgment of our 174 county and city school administrative units. I attest to the authenticity of these data and I express absolute disapproval of any effort to make it appear that our needs are other than we have certified. I am sending you official copies of our facilities survey as of fall 1956.

CHARLES F. CARROLL,  
*State Superintendent of Public Instruction.*

If there is no objection, we will insert this material into the record at this particular point.

(The documents referred to follow:)

FEBRUARY 26, 1957.

Representative CLEVELAND BAILEY,  
*Chairman, Subcommittee on Education,  
House of Representatives, Washington, D. C.*

DEAR SIR: House bill 1 is of great interest to the California State Federation of Teachers since it provides Federal aid for schools.

The 1956 annual convention of the CSEF emphasized that current teacher shortages are due in large part to the very low salaries received by the majority of teachers. The AFL-CIO supports Federal aid for both school construction and teacher's salaries. They urge Federal financial assistance for schools and teachers.

We respectfully ask your support of the Kelley bill and of any other measures which would provide Federal aid for schools and teachers.

Sincerely,

ANNA K. ABELTINE,  
*Legislative Chairman, AFT, South San Francisco, Local 1119,  
South San Francisco, Calif.*  
LOIS SELBERY,  
*San Francisco, Calif.*  
JOHN WALDO,  
*President, Local 1119,  
South San Francisco, Calif.*  
ELVA DINNING,  
*South San Francisco, Calif.*  
MAX DARNIELLE,  
*San Francisco, Calif.*  
NATHAN SPINADLI,  
*Millbrae, Calif.*

COLORADO DIVISION,  
AMERICAN ASSOCIATION OF UNIVERSITY WOMEN,  
Canon City, Colo., February 25, 1937.

HON. GRAHAM BARDEN,  
Chairman, Education and Labor Committee,  
United States House of Representatives, Washington, D. C.

DEAR SIR: In the President's recent congressional message on education, he included a recommendation for aid to school construction. If a bill on this matter comes before the House of Representatives, it will probably be referred to your committee. The American Association of University Women is especially concerned with education, and the Colorado Division of AAUW hopes that your committee will take favorable action on this legislation.

Thank you for any help you may give.

Very truly yours,

RUTH S. ARNOLD  
Mrs. Frank J. Arnold,  
State Education Chairman.

RANTOUL CITY SCHOOLS,  
DISTRICT 137, CHAMPAIGN COUNTY,  
Rantoul, Ill., March 1, 1937.

HON. CLEVELAND M. BAILEY,  
House Office Building, Washington, D. C.

MY DEAR MR. BAILEY: The legislation on school construction introduced to date in this session of Congress places a heavy administrative burden on the Commissioner of Education. A sizable portion of this burden is by nature in the construction field which requires engineers or will necessitate the use of other Federal agencies by the Commissioner of Education.

This problem was recognized in Public Law 815 when it was enacted in 1930 and as a result the Commissioner of Education was required to use the services of the Community Facilities Administration then known as the Community Facilities Services.

Since I have, as superintendent of the Rantoul city schools, constructed four schools under Public Law 815 and Public Law 815, as amended, and since the staff of the Housing and Home Finance Agency of the Community Facilities Administration have supervised these projects, I do not hesitate to state that their supervision was of a high professional nature and extremely helpful at all times. It therefore seems highly imperative that a requirement be written into future legislation that the services of the staff of the Community Facilities Administration be used.

I thank you for permitting me to use a few minutes of your time during my recent visit to your office.

Sincerely yours,

J. W. EATER, Superintendent.

MONTANA TAXPAYERS ASSOCIATION,  
Helena, Mont., March 2, 1937.

CONGRESSMAN CLEVELAND M. BAILEY,  
House Office Building,  
Washington, D. C.

DEAR CONGRESSMAN BAILEY: At the request of the board of directors of the Montana Taxpayers' Association we have made a survey of the State of Montana to determine the classroom needs and other than classroom needs of the school systems of the State. To determine this need we first sent a questionnaire to the 56 county school superintendents of the State in which we asked them to tabulate, by school district, their classroom and nonclassroom needs and the estimated cost of these needs. We followed up this request with another questionnaire to the school superintendents of the individual districts mentioned in the county superintendent's report. This questionnaire was specifically aimed at the school district and asked for the number of classrooms needed, the reason they were needed, their estimated cost, the estimated needs for facilities other than classroom, the reason for the need of other facilities, and the estimated cost.

By analyzing these studies we were able to determine the school building needs of the State from the viewpoint of the chief school officers of each county, and the individual school district superintendent. There will undoubtedly be differences of opinion within the communities as to whether or not these needs as given by the school officers actually exist.

In analyzing the report of the Department of Health, Education, and Welfare, titled "Fall 1956 Statistics on Enrollment, Teachers, and Schoolhousing in Full-Time Public Elementary and Secondary Day Schools," we were able to obtain the original data that the Montana State Department of Public Instruction used in making the report for Montana. The data submitted to the Department of Health, Education, and Welfare for Montana was derived from questionnaires similar to those sent out by the Montana Taxpayers' Association and again reflected only the viewpoint of the school administrators and not that of the school boards.

The figures that the association attempted to verify are the 352 classrooms that are allegedly needed for Montana but not being constructed during the 1956-57 school year. When we compare the county-by-county results of the association's study with the report submitted by the Montana State Department of Public Instruction we find widely varying results. For instance, seven counties reported to the State department a need for 122 classrooms. The same counties in the report to the association indicated a total need of one classroom. These counties are listed below.

County	Report to State department, needs minus construction (classrooms needed)	Association report (classrooms needed)	Bonding power available
Big Horn.....	11	1	\$42,000
Cascade.....	14	None	
Lea.....	14	None	
Lewis and Clark.....	16	None	
Prairie.....	2	None	
Silver Bow.....	52	None	
Park.....	13	None	
Total.....	122	1	

If there were a need for the 122 classrooms in these 7 counties the need would surely be acute enough so that the school people in those counties would have reported the same information in answer to the 2 questionnaires. This inconsistency certainly casts doubt upon the validity of this report for Montana.

The remainder of the counties reported essentially the same number on our report as they did on the State report. We investigated to determine if the school districts were bonded up to capacity and thus unable to construct new classrooms. Following is a list of the needs minus construction as given on the State report and the bonding capacity unused by the district as of September 1956.

County and district	Classrooms needed but not being built	Bonding capacity available	County and district	Classrooms needed but not being built	Bonding capacity available
Beaverhead, district 10.....	2	\$345,000	Ravalli, district 1.....	3	\$111,000
Broadwater County High School.....	5	444,000	Ravalli, district 2.....	4	185,000
Carlson, district 33.....	4	68,000	Ravalli, district 3.....	8	272,000
Custer County High School.....	12	1,173,000	Roosevelt, district 9.....	9	545,000
Dawson, district 1.....	5	302,000	Rosebud, district 14.....	4	422,000
Dawson, district 78.....	6	235,000	Rosebud, district 19.....	2	353,000
Dawson, district 7.....	10	268,000	Sanders, district 10.....	3	68,000
Fergus, district 84.....	2	145,000	Sanders, district 1.....	1	185,000
Flathead, district 5.....	9	209,000	Stillwater, district 6.....	1	67,000
Flathead, district 6.....	9	1,815,000	Sweet Grass County High School.....	2	133,000
Flathead, district 38.....	1	65,000	Teton, district 1.....	1	122,000
Hill, district 13.....	5	91,000	Toole, district 14.....	5	284,000
Hill, district 20.....	1	23,000	Treasure, district 7.....	1	65,000
Lincoln, district 1.....	1	87,000	Wheatland, district 16.....	9	269,000
McCone, district 1.....	1	46,000	Valley, district 2.....	7	218,000
Missoula, district 40.....	1	17,000	Valley, district 13.....	3	109,000
Phillips, district 12.....	8	241,000	Yellowstone, district 24.....	1	35,000
Phillips, district 14.....	1	226,000	Yellowstone, district 7.....	1	94,000
Phillips, district 20.....	1	61,000	Yellowstone, district 15.....	1	116,000
Pondera, district 10.....	2	107,000			
Pondera, district 1.....	1	141,000	Total.....	152	

It is interesting to note that while the alleged needs have been presented by the school superintendents in these reports, they evidently have not been great enough to put before the people for their vote.

Montana has been doing an excellent job in taking care of its own school needs. Total school expenditures (public schools only) have increased from \$17,007,904 for 1940-47 to \$37,450,117 for 1955-56. This is an increase of 237 percent in school expenditures during the last 10 years while enrollments have increased 87 percent over that same period.

In 1940-47 \$824,306 was paid out for debt service in Montana—in 1955-56 this amounted to \$6,697,694, an increase of 712 percent. Capital outlay payments have increased over 1,300 percent since 1940-47 reaching a high of \$10,408,000 in 1955-56. During the last 4 years \$20,138,000 has been spent in capital outlay.

A further illustration of the responsibility displayed by Montana citizens is the passing of a bill through both houses of the current legislative assembly to put on the ballot at the next election a constitutional amendment to allow a doubling of the statutory bonding indebtedness limit for Montana school districts. This amendment would raise the limit of bonded indebtedness from 5 to 10 percent of the assessed valuation of the school district. This bill passed the Montana House of Representatives 85 to 3 and the Montana Senate 47 to 5. Neither the Montana Taxpayers' Association or any other responsible group opposed this legislation.

To date legislation has never been introduced into the Montana Assembly to provide for means to assist local school districts in their building programs. If a need for assistance actually existed, it would seem evident that the problem would be brought before the State assembly for consideration on the State level, before seeking assistance elsewhere.

It is evident that the people of Montana are taking care of their own public school needs—building and otherwise, and will continue to do so when the needs exist.

Sincerely yours,

S. KEITH ANDERSON, *Executive Secretary.*

WHITE PINE CHAMBER OF COMMERCE AND MINES,  
Ely, Nev., February 27, 1957.

CLEVELAND M. BAILEY,

*Chairman, House Subcommittee on Education and Labor,  
House Office Building, Washington, D. C.*

DEAR CHAIRMAN BAILEY: Allow me to bring to your attention the following resolution adopted by the board of directors of the White Pine Chamber of Commerce and Mines.

*Resolved*, That the White Pine Chamber of Commerce and Mines, Ely, Nev., believes that the American public-school system is traditionally and distinctively a community affair and that the States and local school districts should accept full responsibility for the financing and direction of their public school.

That it opposes the enactment of Federal legislation which would provide grants-in-aid to the States for public school construction for the reasons that no funds can be provided by the Federal Government except those collected in taxes upon the peoples in the various States and that Federal administration only adds to the tax burden; that Federal intervention in the field of education would weaken and destroy the individual initiative of the States and local communities in assuming a traditional responsibility.

That the White Pine Chamber of Commerce and Mines favors the principle of giving private enterprise an exclusive franchise in the field of insurance as this relates to our domestic economy and welfare. That the Federal Government should enter the insurance field only as this relates to armed conflicts and international relations where private enterprise is unable to participate.

Particularly, the field of health insurance should be left to private enterprise. Great strides have been made during recent years in health insurance under group plans, and the need for Federal intervention in this field is not apparent.

We sincerely urge that you give serious consideration to this resolution.

Very sincerely yours,

JAMES E. HEALD, *Manager.*

PHILIPINE

IOWA TAXPAYERS ASSOCIATION,  
Des Moines, Iowa, March 1, 1957.

STATEMENT OF LYLE R. MERCER, PRESIDENT OF THE IOWA TAXPAYERS ASSOCIATION,  
IN OPPOSITION TO FEDERAL AID TO EDUCATION

The Iowa Taxpayers Association, a statewide nonprofit organization and dedicated to efficiency and economy in the expenditure of public funds, is firmly opposed to any proposal to provide Federal funds for local schoolhouse construction.

It is the firm belief of the Iowa Taxpayers Association that the function of educating children, by its very nature, rightfully belongs to the State-local level of government—and the nearer the local level the better. Federal financial assistance—and the Federal controls inherent in such a program—are directly contrary to the time honored concept of State sovereignty and local self-government.

Federal grants-in-aid programs now in force prove conclusively that such programs are complicated and costly to administer, and have encouraged needless State and local expenditures so that States might qualify for maximum Federal assistance on a matching basis.

The fallacy of allowing Federal encroachment on Iowa's wealth to provide Iowa with financial aid for education is self-evident. Moreover, if the Federal budget is to be kept in balance and the Federal debt reduced, new spending ventures must be resisted.

It is contended by the advocates of Federal aid for education that the individual States are unable to finance their own school construction programs—but Iowa is a State that has and will continue to have the ability and desire to take care of its own school construction—without any outside assistance.

According to data prepared by the Iowa Department of Public Instruction, 20,062 classrooms were available at the beginning of the 1956-57 school year. The Department's data also showed that in the fall of 1956, 1,000 additional rooms were needed—but that 450 were scheduled for completion during the 1956-57 school year. This will leave a "deficit" of only 550 rooms at the end of this year—and Iowa has the borrowing capacity to finance the construction of these 550 rooms, and many more.

On June 30, 1956, the outstanding debt in all Iowa districts with high schools was \$132,087,503—while the total debt limit was \$270,009,880. Thus, high school districts had unused borrowing power amounting to \$144,821,886.

Moreover, nonhigh school districts had a total debt limit of \$133,843,130, but, with an outstanding debt of June 30, 1956, of only \$3,209,806, had \$130,643,324 in unused borrowing power.

The estimated cost of constructing 550 classrooms (at an average cost of \$25,000 per room) would be \$13,750,000—and this State still has over \$275,000,000 in unused borrowing power.

Furthermore, Iowa has also shown a desire to finance any needed school buildings by using its borrowing power as shown below:

*Capital outlay for school construction*

1948-49-----	\$13,718,260	1952-53-----	\$31,440,149
1949-50-----	13,834,892	1953-54-----	33,496,604
1950-51-----	19,179,910	1954-55-----	30,878,249
1951-52-----	22,284,831		

It is because of the above evidence that this association has taken a firm stand against any proposal to use Federal tax dollars to build schools in Iowa, when all data proves beyond a doubt that such "assistance" is unneeded in this State.

Respectfully submitted.

LYLE R. MERCER, *President.*

NASHVILLE, TENN., March 4, 1957.

HON. CLEVELAND M. BAILEY,  
*Chairman, House Labor and Education Subcommittee,*  
*Washington, D. C.:*

Based upon actual survey and the estimate that 1,400 classrooms will be constructed in Tennessee during the present school year, there will yet be needed in Tennessee 9,000 additional new classrooms between the close of the year

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1956-57 and the opening of the year 1959-60 to take care of increased birth rate, shifting population, and obsolete facilities. The survey referred to was made in 1952; was rechecked in 1955 and is being rechecked again at the present time.

QUILL E. COPE,  
*Commissioner of Education,*  
By J. B. COLHOU,  
*Supervisor, Federal Projects and Consultative Service.*

KEYSTONE, OKLA., March 4, 1957.

CLEVELAND N. BAILEY,  
*Member of Congress,*  
*House Office Building, Washington, D. C.:*

This wire is to evidence our support of and a recommendation for passage of the Federal assistance bill for the public schools. I sincerely hope that the hearing committee will not accept the statements opposing the measure by anyone who might personally appear at the hearing as reflecting the desires of the rank and file of the people of Oklahoma. If Steve Stahl of Oklahoma should appear at this hearing opposing this measure you will do me a great service by making available to me his complete testimony as quickly as possible. Thank you very kindly for your great effort.

A. W. SWIFT,  
*President Oklahoma State School Boards Association.*

SALT LAKE CITY, UTAH, March 4, 1957.

Representative CLEVELAND M. BAILEY,  
*House of Representatives,*  
*Washington, D. C.:*

Confirmation of data for Utah in reply to Office of Education questionnaire October 1, 1956, shows overcrowding on basis of normal load 30 children enrolled correct. Approximately 18,000 second questionnaire on obsolete classrooms and personal check with key school districts show gross underestimate. Correct figure is 830 rather than 277. Congressman Dixon given latest data last Friday.

E. ALLEN BATEMAN,  
*State Superintendent.*

FRANKFORT, KY., March 4, 1957.

Hon. CLEVELAND M. BAILEY,  
*Chairman, House Subcommittee on Education,*  
*House Office Building, Washington, D. C.:*

Understand opponents Federal aid for schoolhouse construction question my estimates of Kentucky classrooms needs before subcommittee, February 13, and estimates made to Office of Education October 1956. All figures presented can be fully documented. Recent exceedingly efforts of opponents to discredit estimates. Reemphasize the imperative need for immediate legislation providing Federal assistance.

ROBERT R. MARTIN,  
*Superintendent of Public Instruction.*

TALLAHASSEE, FLA., March 4, 1957.

Hon. CLEVELAND M. BAILEY,  
*House of Representatives Building, Washington, D. C.:*

At our present rate of population increase we could conceivably have underestimated our need for the next 5 years.

THOMAS D. BAILEY.

DES MOINES, IOWA, March 4, 1957.

Hon. CLEVELAND M. BAILEY,  
*Chairman, House Subcommittee on Education,*  
*House of Representatives, Washington, D. C.:*

The estimate of school facilities needs made in reply to Office of Education questionnaire October 1956 for State of Iowa are valid and accurate estimates.

PHILIP DYNE

If the estimate errs it would be on conservative side so far as needs are concerned and overstates the instruction rooms scheduled for completion during the 1956-57 school year.

J. O. WRIGHT,  
*State Superintendent of Public Instruction, State of Iowa.*

OKLAHOMA CITY, OKLA., March 4, 1957.

HON. CLEVELAND M. BAILEY,  
*House of Representatives, Washington, D. C.*

We understand that Steve Stahl, of the Oklahoma Public Expenditures Council, is again appearing before the Senate Education Committee in opposition to Federal aid for schoolhouse construction. Such action on his part is not unexpected. He does not represent the feeling of the majority of Oklahoma citizens. He opposes measures at the State and local level designed to aid schools. He has little or no influence with the people of Oklahoma or the Oklahoma Legislature. Some have serious doubts that he favors public education. Therefore his testimony should not be considered as representing the feeling of the people in Oklahoma.

F. E. WILLINGHAM,  
*Director, Field Service, Oklahoma Education Association.*

TALLAHASSEE, FLA., March 4, 1957.

HON. CLEVELAND M. BAILEY,  
*House of Representatives Building, Washington, D. C.:*

Estimates of Florida's school facilities needs, made in reply to Office of Education questionnaire October 1956, are reaffirmed as accurate for Florida. At our present rate of population increase we could conceivably have underestimated our need for the next 5 years. My telegram to you earlier today containing last sentence only as above should be disregarded.

THOMAS D. BAILEY.

LITTLE ROCK, ARK., March 5, 1957.

HON. CLEVELAND M. BAILEY,  
*Chairman, Subcommittee on Health, Labor and Education Committee,  
United States Congress, Washington, D. C.:*

It is my understanding that the authenticity of our estimates of school facilities needs has been challenged before your committee. You are to be advised, sir, that, based upon information secured and verified through a statewide survey conducted by this department under the provisions of title 1, Public Law 815, and kept current, that we need a total of 8,324 additional instruction rooms, 3,454 to accommodate excess enrollment and 4,870 to replace outmoded temporary and unsatisfactory facilities. Actually, these are conservative estimates. Our needs are increasing as a result of the increase in urban population and corresponding decrease in rural population and school administrative unit reorganization, resulting in the elimination of a large number of 1- and 2-teacher schools. No other comprehensive inventory of school housing requirements has ever been made in this State, and any statement of our needs not based on verified factual information should be discounted. We resent any statement of our building needs which is not verified by competent research.

A. W. FORD,  
*State Commissioner of Education.*

RALEIGH, N. C., March 4, 1957.

HON. CLEVELAND M. BAILEY,  
*House of Representatives,  
Washington, D. C.:*

Estimates of North Carolina school facilities needs submitted upon request of United States Office of Education in October 1956 represent conservative judgment of our 174 county and city school administrative units. I attest to the

authenticity of these data and I express absolute disapproval of any effort to make it appear that our needs are other than we have certified. I am sending you official copies of our facilities survey as of fall of 1958.

CHARLES F. CARROLL,  
*State Superintendent, Public Instruction.*

Mr. GWINN. Mr. Chairman, are we getting like communications from the other States? Have we requested confirmation from the other States?

Mr. BAILEY. I have not requested them from anyone.

Mr. GWINN. These have just come in?

Mr. BAILEY. They are coming in voluntarily from the several States. I have made no request, and the committee has made no request.

Mr. GWINN. Mr. Chairman, will these be kept together so that we can examine them?

Mr. BAILEY. They will be made a part of the file of the committee.

Mr. FRELINGHUYSEN. Mr. Chairman?

Mr. BAILEY. Yes.

Mr. FRELINGHUYSEN. As the Chair knows, I received a communication yesterday from the New Jersey State Chamber of Commerce requesting that I intervene in an effort to get a representative from the New Jersey Chamber to testify directly before this committee. I wonder if there is any possibility that we could arrange that?

Mr. BAILEY. I would like to say to the gentleman from New Jersey that it is my intention, as soon as we can get the members of the majority on the committee here present, to go over our procedures in executive session and decide just what we propose to do.

Mr. FRELINGHUYSEN. Thank you.

Mr. BAILEY. At this time, the Chair notes in the committee room the presence of our distinguished colleague from the State of Virginia, Mr. Abbitt. Will you come forward and identify yourself to the reporter?

#### STATEMENT OF HON. W. M. ABBITT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VIRGINIA

Mr. ABBITT. Mr. Chairman, I am W. M. Abbitt, Member of Congress from the Fourth District of Virginia. I deeply appreciate the opportunity to appear before your committee in opposition to the so-called Federal aid to education for school-construction bill. I appreciate the kindness and courtesy and consideration shown me by the distinguished chairman and the fairness with which these hearings have been conducted.

I would like to ask unanimous consent to extend by remarks and statement in the record at this point.

Mr. BAILEY. Thank you, sir. We appreciate your appearance. Due consideration will be given to your brief.

Mr. ABBITT. Thank you so much.  
(The brief referred to follows:)

#### STATEMENT OF HON. W. M. ABBITT (DEMOCRAT, VIRGINIA) IN OPPOSITION TO PENDING LEGISLATION PROVIDING FEDERAL AID FOR SCHOOL CONSTRUCTION TO THE LOCALITIES

Mr. Chairman, I appreciate the opportunity of appearing before your committee in opposition to the so-called Federal aid to education school-construction bills.

ORIGINALITY



This is a most important question. As a matter of fact, it is one of the most important problems facing the people of our country today. It seems to me that a decision must be made by our people. Sooner or later we must decide whether the public schools are to be operated, maintained, and controlled by localities and the States or whether our schools will be turned over to the Federal Government.

The schools of this great country of ours have been a great bulwark for our way of life. They have been the foundation stone of our democracy. We can but know that if the Federal Government gradually takes over the financial burden of our public schools so will they gradually take over the control. It is not possible to distribute Federal funds for education without the imposition of an increasing measure of Federal control in matters of educational policy. Local control of education is fundamental to the American type of democracy. It is necessary that education be adapted to local needs. It is necessary that we have a sense of local responsibility for its successful execution. To remove the responsibility of educating our children from the local level will necessarily and unavoidably greatly weaken democracy at the grassroots. The separation of education and the Federal Government so far as primary and secondary schools are concerned is as important as the principle of separation of church and state. For many years, there has been a general trend toward centralization of power in Washington. There is now an all-out effort to federalize the schools and nationalize the lives of all American citizens.

The present proposal to have the Congress appropriate Federal funds for the construction of local schools is but a step toward the realization of turning over the public school system to the Federal Government. Many people supporting this legislation will not admit this is true but the vast majority of its supporters are those who desire the concentration of power in Washington and the centralization of all government at the National Capital. All of us believe that adequate education of American youth is essential to the preservation of the Republic and to the welfare of the Nation. I am convinced that this opportunity can be provided by local communities and States more satisfactorily and more equitably to both than by the Federal Government.

It is most important that local control of our schools remain as it is at present. This will be impossible if we allow the Federal Government to stick its long nose into the financial responsibility of educating our children. If we are to remain a free people, if we are to retain our way of life as we know it, it is necessary that control of our public schools remain at the local level. There is no such thing as Federal aid without Federal control.

Mr. Chairman, I oppose this bill for a number of reasons. First, as I have tried to point out, it is absolutely necessary that the control of our public schools remain at the local level. Not only that, but the citizens in a democracy have certain duties and obligations that they must perform. In my opinion, it is the duty and obligation of the localities and the local citizens to maintain public education. Education of our youth is a function of the localities and not of the Federal Government. I am convinced if we permit the Federal Government to subsidize our public schools generally then we will lose control of the schools so far as the localities and communities are concerned.

Next, I would like to say that the localities and the States are adequately financially able to provide the necessary educational opportunities for the youth of this great country of ours. The States are far better off financially than is the monstrous Federal Government today. There are those who would have us believe that the States are not able financially to carry on the proper educational program to meet the needs of our youth. They contend that the Federal Government has the financial ability to undertake this great task. Unfortunately, nothing is further from the truth. Sadly enough, the national debt now amounts to more than eight times State and local indebtedness. The Federal Government has a national debt of approximately \$275 billion. Apparently, there is no hope in the foreseeable future that this debt will be reduced in any appreciable amount. It is saddening to see on all sides grasping bureaucrats and people who believed in centralized power trying to reach out on behalf of the Federal Government to continue to take over functions and obligations of the States and local communities. We are now at the crossroads. We are about to see this country embark on a gigantic long-time journey into the field of local public education. It is disheartening to me to see this administration sponsor such a program.

Truthfully, the 1938 budget of the Federal Government is such a bizarre combination of fantasy, mystery, and irresponsibility that it alone should convince

any individual person of the necessity and urgency of stopping the growth of the Federal octopus. This program will simply add another tentacle to the octopus Federal monstrosity. To those people who say and apparently earnestly contend that the States are unable financially to carry on the proper and necessary educational program for the future welfare of our youth, I desire to call to their attention a most enlightening report by an outstanding committee.

By authority of an act of Congress, there was appointed in 1954 a Commission on Inter-Governmental Relations. Fifteen members of the Commission were appointed by the Chief Executive, 5 by the Speaker of the House, and 5 by the Vice President. It was the duty, among other things, of this Commission to make a painstaking study and report on the functions of the Federal Government in various fields of activities. This Commission appointed various study committees to look into and to study particular phases of activity. One such committee was appointed to make a thorough study and report on Federal responsibility in the field of education. This committee was composed of many able American citizens. They made an actual painstaking study of the problem of education, the responsibility of various segments of our society in this field as well as the ability of the several political divisions to carry out the necessary and proper educational program. A very fine report was made by this committee on October 10, 1964. I am very much surprised indeed that the present administration should apparently discard such a splendid report from such an outstanding group of men from almost every walk of life in this great Nation of ours.

The Study Committee on Federal Responsibility in the Field of Education as selected by the Intergovernmental Relations Commission was composed of 15 members; Adam S. Bennion, of Utah, as chairman. Mr. Bennion is a leader in the Mormon Church and a close friend, as I understand it, of Secretary Benson. Other members of the Study Committee included Thomas C. Boushall, of Richmond, Samuel Miller Brownell, brother of the Attorney General and since Commissioner of Education; A. Boyd Campbell, a Mississippi businessman; Alfred E. Driscoll, former governor of New Jersey; Oscar A. Ehrhardt, chairman of the St. Louis School Board; Mr. T. Norman Hurd, director of the budget of the State of New York; Edward H. Litchfield, dean of the School of Business Administration at Cornell University; Carl J. Miegel, president of the American Federation of Teachers; Mrs. H. M. Mulberry, a member of the Chicago board of education; Very Rev. Magr. Thomas J. Quigley, of Pittsburgh; Hubert H. Race, of the General Electric Co.; Roy E. Simpson, superintendent of public instruction of the State of California; Paul D. West, superintendent of Fulton public schools in Atlanta, Ga.; Henry M. Wriston, president of Brown University. The director of research and advisor for the Committee was Roger A. Freeman, who has since written a book on the subject.

This Study Committee, after a most careful study of the financial problems facing this country and a painstaking analysis of the responsibilities of education of our youth, has pointed out in no uncertain terms that the duty and obligation to educate the youth is a direct responsibility of the localities and the States. They have also in no uncertain terms, found as a matter of fact that "the general conclusion is that Federal aid is not necessary either for current operating expenses for public schools or for capital expenditures for new school facilities. Local communities and States are able to supply both in accordance with the will of their citizens."

I heartily concur in the conclusion of the Study Committee and commend them for a most enlightening report as well as for the outstanding job that they did. This study should be read carefully by every Member of Congress who is really interested in the welfare of this country of ours.

I would like for this administration to inform the people why it has cast into the wastebasket such a valuable report from a group of outstanding citizens.

I hope, Mr. Chairman, that the legislation now before this committee which provides for Federal aid to the localities for the construction of schools will not be recommended for passage by your committee so that the localities may retain control of the schools and continue with their duties and responsibilities for the education of our youth, as they are amply financially able to do.

Mr. GWINN. Mr. Abbott, have you any information about how the questionnaire sent out by the United States Office of Education to the State superintendent of schools in Virginia was answered or was it answered by the State superintendent?

Mr. ABBITT. I have no knowledge of it at all. Unfortunately our superintendent of schools passed away about 10 days ago and as of now we have no superintendent of public instruction except a person in the Department who is acting in the place and stead of the superintendent.

I have no knowledge of the questionnaire. I have not been posted in any way from the Department of Education of Virginia.

Mr. (TWINN. Thank you.

Mr. FRELINGHUYSEN. Mr. Chairman, I do not want to prolong the discussion.

I wonder if you could tell us in addition to your formal statement what your reason for opposition to these bills is.

Mr. ABBITT. I feel that it is a function of the localities and States, one; second, that Federal financial help will very rapidly lead to Federal control, the federalization of our schools and the nationalization of our people.

Mr. FRELINGHUYSEN. Of course, we do provide a great deal of Federal aid to a lot of programs. The same charge is not made, nor has there been any experience of that kind.

Mr. ABBITT. In my opinion they are a help to certain particular programs but when you start giving help generally to school buildings or general construction, I think you are fast going afield in taking over the functions, and privileges, and duties, and obligations of the localities and citizens.

Mr. FRELINGHUYSEN. Has your State received any Federal money to help in the building of hospitals?

Mr. ABBITT. Yes.

Mr. FRELINGHUYSEN. Has it resulted in Federal control of hospitals?

Mr. ABBITT. Not as of now, but they have to meet certain specifications and pay labor certain standards.

Mr. FRELINGHUYSEN. That is not Federal control of hospitals, surely. Would meeting certain specifications in certain Federal impacted areas in order to get Federal assistance constitute control? Has your State benefited from the construction, and maintenance, and operation assistance made available?

Mr. ABBITT. Certainly.

Mr. FRELINGHUYSEN. Has it resulted in anything undesirable in any of your school districts?

Mr. ABBITT. Not as yet. I do not think the Powell amendment will as yet, but I think it soon will be, if passed.

Mr. FRELINGHUYSEN. I can understand your objection to particular part of a particular program, but I do not understand basically why your fears would be as they are.

Mr. ABBITT. I think it is a function of the States and localities.

Mr. FRELINGHUYSEN. Of course it is, but is it not a reasonable function for the Federal Government to encourage the States and localities to do more than they have in meeting those responsibilities?

Mr. ABBITT. I think encouragement would be fine and that is all right.

Mr. FRELINGHUYSEN. In effect, you are not condemning every part of this program because the basic effort is to encourage and stimulate the local responsibility?

Mr. ARBITT. If that is all that the people who are actually behind the thing want, that would be fine.

Mr. FRELINGHUYSEN. Some of us who are behind it are trying to work out something that will be a reasonable kind of program and you could be of assistance if you would help us in that effort to find what is a sensible, reasonable program whereby the Federal Government might encourage local responsibility instead of automatically condemning it without perhaps even taking a look at what it is that we are proposing. I have not read your testimony so that perhaps I am misjudging what your basic feeling is.

Mr. ARBITT. I do not know that you are misjudging. I think the question is exceedingly fair. I appreciate the gentleman's position, but I feel that the States and localities in addition to having a duty and obligation are far better off, far more able to carry on the schools than is the Federal Government which has a national debt of some \$275 billion.

Mr. FRELINGHUYSEN. The national debt will not be affected appreciably by what the Federal Government does do in this field if we enact legislation. The States, in effect, are not going to be any poorer. They may well be better off in certain cases at least dollarwise for being able to qualify for Federal assistance.

Mr. ARBITT. You are probably right but when we have so many new programs mounting up to the largest budget we have ever had, so far as I know, in peacetime, I think we have to have a halt somewhere along the line.

I thank you, gentlemen.

Mr. GWINN. I have one more question. Could you imagine any more encouragement the Federal Government could give to Virginia than to reduce taxes and leave the money in Virginia for Virginia to spend herself?

Mr. ARBITT. I think it would be the finest thing. I am sure we can do it all right by ourselves if we have the money and the Federal Government does not take too much away from us.

Mr. FRELINGHUYSEN. Unless we cut billions from the Federal budget we are not going to be able to cut taxes. We can eliminate all Federal assistance which the Federal Government has been providing if we are going to cut billions, if you and I are going to find a way to reduce taxes.

Mr. ARBITT. I am one of those who feels that if we reduce where we can, program by program, we can cut the Federal budget.

Mr. GWINN. You take this as one of those programs?

Mr. ARBITT. One of the many.

Mr. GWINN. There are many others just like that about which you would feel the same way?

Mr. ARBITT. Yes, sir. Thank you very much for your kindness and consideration.

Mr. BAILEY. Thank you, Mr. Abbitt.

The Chair notes in the committee room the presence of the distinguished Member of Congress from Utah.

Mr. Dixon, will you come forward?

# STATEMENT OF HON. H. A. DIXON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF UTAH

Mr. BAILEY. Will you identify yourself to the reporter and proceed with your statement.

Mr. Dixon. Mr. Chairman, I am H. A. Dixon, representing the First District of Utah. I appreciate this opportunity to appear and, while I have written testimony, I ask consent to save time by just giving rather a brief statement of what is in the testimony and distributing copies later in order that they might be studied.

I would like to say at the outset that I have administered Federal programs of education over a period of more than two decades as a public superintendent; as city superintendent of schools, the Smith-Hughes Act; and, as president of a junior college, the Federal vocational funds, the George Dean Act, and such things; as the president of the Utah State Agricultural College, the various funds for the extension services, the experiment stations, and the like.

Also, I have worked with many Federal collaborators who have been assigned to our institutions. In all candor, I can report that the Federal control or interference with the administration of our city schools and our junior college and our State agricultural college have been nil and I have no misgivings for Federal aid on that account.

Furthermore, there is far less danger of Federal control and domination in the building program than there is in Federal aid to maintenance and operation, because when the Federal Government assists in the construction of a building and turns it over to a district, it belongs to the district and the Federal Government is out.

I have the feeling, too, in this testimony, that possibly I could do more good this morning by confining my testimony to our local situation, our own State, especially since the validity of the reports from the State superintendents has been challenged. I have been in communication with our State superintendent. What I am reporting here I have received from him, and I have again verified with him over the telephone this morning.

The most disconcerting thing about the school picture in Utah is the terrific slump in public opinion concerning the effectiveness of Utah schools as borne out by a public poll which we had taken by a professional organization, which showed that, in 1952, 72 percent of the people were well satisfied with their schools, while in 1956 only 35 percent were satisfied with the effectiveness of our public schools.

As I say, this is extremely disconcerting to me. It shows, too, that many of the statistics which we have concerning the leadership of Utah in education are statistics of the past, which justifies me in saying that I have misgivings concerning the future of the leadership of our State in education.

I say, too, that this bad slump since 1952 in the effectiveness of our school system leads me to the position that we must have help from outside sources.

Mr. GWINN. Mr. Chairman.

Does the gentleman disagree with your State attitude on this subject of Federal aid to education?

Mr. Dixon. I am in hearty accord with our State attitude.

Mr. GWINN. How is that expressed in the statement?

Mr. DIXON. In this public-opinion poll taken by Beardsley, Inc., a scientific organization that has proved its objectivity and accuracy, 81 percent of the people of Utah want Federal aid for school construction.

Mr. GWINN. What does your department of education say? Are they for it or against it?

Mr. DIXON. They are definitely for it.

Mr. GWINN. That is the Department of Education of the State of Utah?

Mr. DIXON. That is right. Our former Governor was very much opposed to it. Maybe what my esteemed colleague has in mind is the position of the former Governor, but he is no longer our Governor.

Mr. GWINN. What is your legislature's position, if any?

Mr. DIXON. Our present Governor is for Federal aid and, really, I have no resolution from the legislature stating its position, but there is a bill up which will permit the State to take advantage of any Federal aid for school construction. Within a few days we will know whether the bill passes or not, and that will give the gentleman, I think, the answer that he requests.

Mr. GWINN. Would you think that would be conclusive on the subject? If your State legislature is against it, ought this committee take that as the position of the State?

Mr. DIXON. I think that the Beardsley poll would probably be more scientific and more representative than any action of the legislature, although I have no fear but that the legislature will go along with this point of view.

Mr. GWINN. If it should do the other thing, do you think this committee should go ahead and appropriate money for Utah?

Mr. DIXON. After considering the data which I shall present, I feel that the committee would certainly be justified in acting according to the facts.

Mr. GWINN. In spite of the legislature, if it should be against Federal aid?

Mr. DIXON. Yes, because I think the people have spoken in this poll more directly than through their legislature.

Mr. BAILEY. You may proceed, Mr. Dixon, with your formal statement.

Mr. DIXON. Thank you.

Now this terrible slump is not due to lack of effort and sacrifice on the part of our people, because Utah is 1 of 3 States that spend 4 percent or more of their wealth for public schools.

Now, it is not the teachers that have caused the dissatisfaction, nor the curriculum. It is the plant and the physical facilities about which our people complain the most. I admit that teaching, not the erection of buildings, is the most important function of our school system. In fact, our entire investment in school buildings, in facilities, and in administration is significant only as it results in better instruction. But when 40 percent of the schools' income is taken for capital outlay, as is the case in some of our school districts, the quality of teaching inevitably must suffer. National authorities feel that not more than 14 to 18 percent of the school taxload should be spent for buildings and school facilities. An expenditure of 20 to 40 percent for buildings is common in our State.

Many of my colleagues here in Congress are surprised that I support temporary Federal aid for school-building construction, because they have heard of the high standing of Utah's schools and wonder what Utah has to gain by Federal aid. I am most appreciative of the opportunity which you have given me, Mr. Chairman, to tell just what Utah has to gain from Federal aid.

Now, Utah is proud of the past accomplishments of her schools. There are many past achievements of our Utah school system to which I point with great pride, but I have serious misgivings about the immediate future, and the statistics which I am quoting are largely statistics of the past rather than statistics of the recent serious trend.

The first great achievement is a splendid State school organization. Soon after the turn of the century Utah consolidated its hundreds of tiny school districts into 40 consolidated districts. The consolidated districts are, for the most part, models of efficiency and economic operation. Without such organization Utah would rank way down the line among our States in education.

Second, Utah people have the will to improve their school system. Education is nearer their hearts than any other problem that faces the State. The Bardaley poll asked: "What is the most important problem facing the State of Utah today?" Nearly four times more Utahans mentioned schools than any other area of concern.

Third, the NEA publication entitled "Rankings of the States," January 1957, places Utah first among all States in the median school years completed by persons 25 years of age and over.

Fourth, Utah ranks first among all the States in the percentage of the population that have completed 4 years of high school.

Fifth, Utah ranks first among all the States in the percentage of its college-age people who are enrolled in college.

Sixth, the State ranks third in the percentage of its population with less than 5 years of schooling.

Seventh, Utah ranks sixth among the States in the Union which had the fewest rejects in military service due to mental and educational deficiencies.

Eighth, Utah ranks third in the percentage of her people who have been graduated from college.

The above numbered statements are all accomplishments of which we are proud. They all point to commendable effort on the part of the people in the face of far less than average wealth.

Utah's ability to support schools is far below average.

Superior schools, with far less than average financial ability to support those schools, point to only one thing, namely, greater than average devotion and effort. Utah's effort is described by the following facts taken from the above-mentioned NEA publication.

First, Utah ranked 30th among the States in the category of income payments per capita. The three wealthiest States receive approximately \$2,500 per capita. Utah has \$1,553 per capita. The United States average is \$1,847 per capita.

Second, Utah ranks 34th among the 48 States in the amount of income payments per child of school age. There are 5 States with income payments of \$11,000 per child. The United States average is \$7,930 per child. Utah's income payment is \$5,730 per school child.

Third, Utah ranks 30th among the States in income payments per pupil in average daily attendance in public schools. Two States have over \$17,000 per schoolchild in daily attendance. The United States average is \$11,000 while Utah averages \$6,862.

Fourth, Utah ranks 36th among the States in the average current expenditure per pupil in average daily attendance for public education from State and local sources. Seven States spend over \$300 per school child in average daily attendance. The United States average is \$253 per school child. Utah's expenditure is \$195 per school child.

Utah is a State of poor people but with a wealth of natural resources. Because such a large proportion of these natural resources are owned by out-of-State people, too much of the burden of the school tax load is placed upon the property tax. Due to the fact that property in Utah is being taxed almost out of existence, it is time that the Federal income tax stood some of the burden of education.

The above are some of the reasons why the Utah public-opinion poll shows 81 percent in favor of Federal aid for school construction as a temporary measure to meet the oncoming tide of school-children.

Utah school building needs cannot be met by local districts and State funds alone.

Dr. E. Allen Bateman, State superintendent of public instruction in Utah, reported February 28, 1957, and I talked with him over the telephone this morning to verify the figures:

The most recent and the most reliable data available on school plant needs were obtained from the districts this fall. We had a complete return and where responses seemed to us incomplete or inaccurate they were rechecked by a visit from a committee which made actual measurements and applied the standards of the Utah building committee of 1951.

A summary of Superintendent Bateman's tables follows:

Classrooms needed November 1, 1956: Elementary, 759; junior high, 264; high, 266; total, 1,289.

Additional classrooms needed November 1, 1961: Elementary, 511; junior high, 468; high, 347; total, 1,326.

Total classrooms needed: Elementary, 1,270; junior high, 732; high, 613; total, 2,615.

Current building program, to be completed by fall of 1961: Elementary, 443; junior high, 330; high, 263; total, 1,036.

Net unmet needs by fall of 1961: Elementary, 827; junior high, 402; high, 350; total, 1,579.

Regarding the overcrowded condition of the classrooms, the Utah Education Association reports:

The classroom with 30 or more students is considered crowded.

In the fourth grade 80 percent of the classes are overcrowded; in the third grade, 77 percent; in the fifth grade, 72 percent; in the second grade, 69 percent; and in the sixth grade, 68 percent.

In the junior high schools 77 percent of the English classes, 77 percent of the mathematics classes, 75 percent of the science classes, and 70 percent of the social studies classes are overcrowded.

Mr. GWINN. Excuse me, Mr. Chairman.

What do you mean by "overcrowded"?

Mr. DIXON. That they have more than 30 students.

Mr. GWINN. That is in high school?



**Mr. DIXON.** These are the junior high-school figures. I have given you the elementary. These are the high school.

In the high schools 71 percent of all English classes, 62 percent of all mathematics classes and 80 percent of all biological science classes carry more than the maximum number of students. "Many of the high schools in Utah," says the association; "are in danger of losing their accreditation on account of oversized classes." We just cannot have that.

The next proposition that I am making is that equal educational opportunity is a matter of Federal as well as State concern.

Some of my colleagues in Congress say to me: "The responsibility for education rests squarely upon the shoulders of the State. Let each State support its own schools. My State is taking care of its own schools, why don't the other States do the same thing?"

The fallacy in this position lies in the fact that in any free society where the people are self-governing there must be an enlightened electorate. Otherwise such a society cannot remain free. Truly the responsibility for education rests upon the States, but just as truly this responsibility is national as well. Where the States cannot fulfill their responsibility the Federal Government should help.

The following are some of the reasons in support of this position:

First, during World War II Senator Elbert D. Thomas, the then chairman of the Senate Committee on Education, stated to the committee in my hearing that the States with 18-year-old compulsory school laws and a high level of educational standards were qualifying for military service approximately 7 out of every 10 men, whereas the States with low compulsory school laws and low educational standards qualified only 3 out of 10. Consequently, the States with higher educational standards had to make up the deficiencies in the quotas of those States who failed to qualify 7 out of 10 of their men. This situation is far more unjust than the idea of equalization ever could be. Definitely education is a national as well as a State concern.

Second, a considerable portion of the United States families are moving from the farms to the cities, from the poorer States to the wealthier States and from the wealthier States to the poorer States. It is not a time for any State to think it can live in a watertight compartment and ask: "Am I my brother's keeper?"

Third, some States have more children in school than others. For example, New York State has only 325 children per 1,000 adults. Utah has 548 children per 1,000 adults. The United States average is 418. Simple arithmetic will show that for every 1,000 adults Utah must support 223 more children than does New York and 130 more children than does the average of the United States. Further, more of the children of Utah attend public schools than do the average of the people in the United States. 94 percent of the children and youth of public school age of Utah attend public school as compared with 83 percent in the United States.

A greater percentage of children are in school in Utah and we keep them in school longer. The median amount of schooling completed by the people of Utah is 12 years and in the United States, 9.3 years. At the same time one of Utah's chief industries is the exportation of scientifically and professionally trained people. Dr. E. L. Thorndike, professor emeritus of Columbia University, found that Utah produced more great men of science in proportion to her population than

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any other State in the Union and 50 percent higher than the second highest State. Definitely the wealthier States have much to benefit from high educational standards in poorer States and, on the other hand, they have much to lose from low educational standards in the poorer States.

Fourth, the equalization principle—the distribution of Federal funds according to the financial need of the States—is justified, because much of the wealth and taxes of the wealthier States come from the raw materials and resources of the poorer States which States help to create that wealth but do not share equitably in the tax income from that wealth?

Mr. HASKELL. What is the date of the chart?

Mr. DIXON. The statistics are from the National Education Association for January 1957.

Federal aid to the State on the basis of reward for effort and need would give Utah the most help for the smallest expenditure.

I have made a summary here of the comparative advantages to our State of the Kelley bill and the President's bill. The Kelley bill would cost our State in taxes \$1,500,000 a year. The President's bill would cost us in taxes \$812,000 a year.

The country would pay for the Kelley bill during its lifetime \$8,600 million. It would pay for the President's bill during its lifetime \$1,300 million.

Utah would have to match the Kelley bill with \$3,200,000 each year. We would only have to match \$1,200,000 a year with the President's bill.

We would receive under the Kelley bill \$3,200,000 but under the President's bill \$2,800,000; but in order to get \$2,800,000 under the President's bill we would have to pay in only \$1,200,000. That shows the advantage of rewarding a State for effort, also the equalization principle which gives the States which need it most the most money.

In conclusion, I would like to state my position that any legislation which bases distribution of funds on the principle of equalization, reward for effort and consideration of need, as included in the administration's bill would give Utah the most for the money being spent. But, if the administration's bill cannot be passed, a compromise measure between it and the Kelley bill would be the next best. If neither of these alternatives can be enacted into law, then I favor the Kelley bill which appropriates funds on the basis of the number of children without taking into account relative needs and effort in different States.

If we failed on both bills I would certainly go for my colleague, Representative Gwinn's idea of taking one-half of 1 percent of the income tax paid by the State and returning that to the State but you will deduct from what I have said that I am for a school bill.

I thank you very much, Mr. Chairman, for this time.

Mr. BAILEY. You know how much the committee appreciates your frank presentation. Some of the statistics that you give us from the State of Utah are really amazing.

You are to be congratulated on the fine efforts you have put forth. It is one of the best illustrations coming to the attention of the chairman of this subcommittee that an effort on the part of the Government to encourage States like Utah to meet their situation would accomplish

more than anyone realizes for the safety of America and the actual protection of our Republic.

We deeply appreciate your sincerity.

Mr. Gwinn and Mr. Haskell might have questions.

Mr. GWINN. I have no questions.

Mr. HASKELL. You say your average income is around \$1,500 compared to the United States average of \$1,800?

Mr. DIXON. That is the average income payments per capita.

Mr. HASKELL. Is that your per capita income figure?

Mr. DIXON. That is right.

Mr. HASKELL. You have a very good record of education in your State. Your State has done a very good job according to that first chart.

Mr. DIXON. The book, Education, America's Magic, and also many other studies have placed our State first in the Nation.

Mr. HASKELL. Yet you only spend about half of the amount of money per pupil as the average State. At the same time you have done a better job of education. How do you do that?

Mr. DIXON. I believe one of the greatest factors is the State school organization. I would like to talk a long time on that. It is the consolidated idea.

Soon after the turn of the century our State abolished all its tiny districts and reduced them to 40 consolidated school districts. Do you know that there are a number of our States that have more school-board members than they have schoolteachers? Some of our States have 3,000 and more school districts. If you have 5 board members to each school district, you would have 15,000 board members. That is more than some of them have in schoolteachers. The thing is hopelessly out of date with these little tiny school districts. The consolidated movement has proved its efficiency so that in my opinion there is no question about its being one of the great contributing factors.

Mr. HASKELL. Is your teacher income up to the national average?

Mr. DIXON. It is considerably below the national average. It is one of the lowest even in the Western States.

Mr. HASKELL. Would that not account a good deal for the fact that you spend less per child?

Mr. DIXON. That accounts for it considerably, yes.

Mr. HASKELL. If your per capita income is about \$300 less than the national average and yet you are only spending so much per child, and the average cost per teacher is very low, is the quality of the education in Utah not particularly low? As a matter of fact, you might almost draw the conclusion that it would be relatively low even though statistics indicate that the children are getting educated because they are simply in class. Would you care to comment on that?

Mr. DIXON. I would not say that, because we have more qualified people available than any State in the Union because a greater percent of our population have college degrees.

Mr. HASKELL. You say, as I say, that you think the quality of the teachers is going to determine to a major extent the quality of the education. You say the quality of your teachers is up.

Mr. DIXON. Yes, but it is deteriorating rapidly. I said at the outset that I am apprehensive about what has happened since 1952, since some of these data were gathered.

**Mr. HASKELL.** How do you hold your high-quality teachers at low pay?

**Mr. Dixon.** We are not holding them. We are exporting them to California in droves during the last few years. We are holding many more than our pay scale would justify because they like to live in the mountains. It is an attractive place to live and I think the cost of living is somewhat lower there. It is much lower than it is here.

**Mr. HASKELL.** Is it fair to say that if Utah really lived up to its responsibilities it would raise the wages of the schoolteachers in its own State?

**Mr. Dixon.** Definitely, and it must do it, and our legislature raised the appropriation per classroom unit from \$1,000 to \$1,800 per classroom unit. That includes a teacher with every 30 students, so that we will have some better pay now than this new law just passed. I do not think it has been signed by the Governor yet.

**Mr. HASKELL.** Would you say that one of your major reasons for wanting Federal money would be so that the State can pay more for its teachers, or would you consider Federal money as additional money and you would still go on and increase your construction money and your teachers' money rather than having the Federal money supplant the State moneys?

**Mr. Dixon.** Never in the world will the Federal money supplant the teachers' money. That is one reason I favor the reward for effort feature in the formula. Never will it supplant the teachers' money.

**Mr. HASKELL.** Do you intend to raise teachers' salaries? Has your State legislature given indication that it is going to raise teachers' salaries?

**Mr. Dixon.** Yes; that is the increase in this classroom unit. That is for maintenance and operation of the schools. I would like to say, to prove that we will not supplant state money with Federal money, that I take one question from this survey, the first one in which the survey group asked our people, "What do you consider to be the most vital public question in the State of Utah?" And 4 times as many of them said, "Our schools," than cited any other problem.

**Mr. HASKELL.** Did they single out any part of the school problem? Did they single out the problem of raising the wages of their own teachers in the State of Utah as opposed to school construction? Did they give any indication in that survey?

**Mr. Dixon.** Yes; they did, and, with the permission of the chairman, I will mail each member of your committee a copy of this survey.

**Mr. HASKELL.** I do not want to prolong the questioning, but you are giving the impression here that Utah has done a fine job of education. At the same time, I cannot help but see the figure where Utah has spent less per child, and that it has the lowest wages of teachers, and somehow these are opposites to me and I do not add the two together.

**Mr. Dixon.** They are hard to understand, especially the slump we have made in public opinion from 72 percent satisfied to 35 percent satisfied in the last 4½ to 5 years.

Now, to answer your question as to whether this singled out any phase, this survey shows how many were dissatisfied with their teachers and how many are dissatisfied with their buildings and the qualifications.

Maybe I am taking too much time, Mr. Chairman?

**Mr. BAILEY.** We have three other witnesses.

Mr. DIXON. 45 percent of them have praise for their teachers, 22 percent praise for the curriculum; only 18 percent criticized the teachers but 54 percent criticized the buildings, so that you asked if they singled out any factor and their main criticism thus far is the buildings, but we have reached the point where in some districts if the buildings are taking 40 percent of our income that will absolutely ruin your teaching staff because the teachers will migrate.

Mr. HASKELL. Is public opinion such in the State of Utah that if they receive no Federal aid they will provide the money through their own State legislature to build the schools and provide the adequate teachers' salaries to maintain your past level of education?

Mr. DIXON. I will answer that from the quotation in my testimony which I did not read, wherein the superintendent says that, if our districts make the maximum effort and bond 100 percent and levy 10 mills for buildings only, there will be 16 of the districts that cannot provide classrooms for themselves. This answers it. There will be 16 out of our 40 districts.

Mr. HASKELL. Would you provide State aid to see that those districts build their schools?

Mr. DIXON. About the State providing aid, I do not think it is in the cards for the State to provide aid.

Mr. HASKELL. You mean that you would not help the poorer districts in your State?

Mr. DIXON. We are helping them. The State is giving about \$2½ million to the poorer districts.

Mr. HASKELL. Would it assume the responsibility of getting those classrooms in those districts and providing the wages for those teachers?

Mr. DIXON. The State cannot, because it is already loaded. Practically all the burden of the schools is upon the property taxes and we are taxing our people out of existence. On the other hand, Federal aid would come largely from income tax and that would not hurt our property-tax payers nearly like the direct property tax is doing. That is why Federal aid would be a big boon to our State.

Mr. BAILEY. Would the gentleman allow an interruption at this point?

Mr. HASKELL. Yes.

Mr. BAILEY. What are some of the tax rates for school purposes in some of the 40 districts?

Mr. DIXON. I do not have an accurate list, but they run tremendously high. I told you before that we take over 4 percent of our income for the support of the schools and there are only 3 States in the Union that do that, so that they are very high. We get a little tax money from the sales tax and that goes to school buildings. This has provided that \$2½ million. That is about the greatest effort that the State can make for schools. I do not know that our Governor can secure legislative approval on what he is already recommending for the schools because of the fact that almost the entire burden is on the property-tax payers and it is terrific. It is almost to the point of confiscation.

Mr. HASKELL. Could the State assume some of the load out of State income tax? In my particular State we put up 60 percent of the money.

Mr. DIXON. The State is raising its income tax and talking about doing a great number of things to stiffen up its income tax even to meet this \$21½ million a year which has to go for buildings.

Mr. HASKELL. Most of the people testifying before this committee have indicated that the States can do the job of educating their own children themselves. Now it is a question of whether they will or not.

Mr. DIXON. I do not think that is the case with Utah because the State taxes, the property taxes in the districts have created such a burden on the people that the people now are beginning to turn against their own schools and vote down bond issues.

Mr. GWINN. Will the gentleman yield?

Mr. HASKELL. Yes.

Mr. GWINN. What is your State income tax?

Mr. DIXON. I recall in making mine that it is pretty stiff. I do not know exactly the percentage. It is 7 or 8 percent maybe that the State is taking from us in income tax.

Mr. GWINN. How much does the sales tax give?

Mr. DIXON. We have a high sales tax.

Mr. GWINN. Is it 3 percent?

Mr. DIXON. It is 2 percent and they are talking about raising that but whether the people will allow the legislature to do it or not I do not know.

Mr. BAILEY. Mr. Frothinguysen, do you have any further questions?

Mr. FROTHINGUYSEN. I have no questions.

Mr. DIXON. Thank you very much.

Mr. BAILEY. Mr. Zelenko, representing the great State of New York.

#### STATEMENT OF HON. HERBERT ZELENKO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. ZELENKO. I would like to indicate to the committee at this time that it was the original plan for the Governor of the State of New York to have one of his educational department representatives before the committee. However, I was in communication with the Governor's secretary not later than an hour ago. Unfortunately, due to the press of State business, the gentleman was not able to be present.

I have been asked to request the indulgence of the committee in this respect. They will try to have someone down before the next day or two.

If the committee can fit the time for the Governor's representative, well and good. Otherwise, they will submit a statement to the committee. As I indicated, unfortunately, they have certain State business which prevented the gentleman from appearing here. You will either have a statement or if you have time, there will be a representative to testify orally before the committee.

As for myself, I wanted to thank the committee for permitting me to be heard on this matter.

I am cognizant of the need for this type of legislation to be enacted at once and I shall most certainly give it my support.

As the members of the committee know, I voted in favor of it last session and shall vote for the legislation that comes out of the committee this session.

I wish to compliment the distinguished members of the committee, Representative Kelley, of Pennsylvania, the author of H. R. 1, and Representative McConnell, of Pennsylvania, the author of H. R. 3986. Both bills reflect discerning and informed views upon this subject. However, in my own humble opinion, I believe H. R. 1 more nearly meets the requirements of the matter and as between the two, I am constrained to favor H. R. 1. I shall just speak briefly, however, on one of the aspects of H. R. 1, which I believe this committee should consider, and that is, section 106 dealing with judicial review.

That, of course, is a somewhat technical problem and a legal problem, but as I read section 106 it is, to my mind, somewhat confused from a legal standpoint and I have proposed two substitute sections.

The first one that I urge in a statement which should be before you people now is this: I feel that the question of review or appeal should not go to a district court but rather to an appellate court so that I have proposed in substituting my section for judicial review that any review go to a United States circuit court of appeals and I have provided for the procedure in the amendment which I have submitted to the committee members. I feel that any State or subdivision thereof or any party aggrieved by the final action of the Commissioner under section 103 should obtain a review of such final action by the United States court of appeals for the judicial circuit in which the State is with respect to which such action was taken or in the United States Court of Appeals for the District of Columbia by filing a petition for review, and I have indicated in the proposed statement that this be done within 60 days of the Commissioner's action, to set the time running.

As the section is written now, there is no particular time at which recourse to the courts can be had and I can very well envision a situation where someone would come in long after the final action is taken and go into the courts and hold up a prospective plan.

The section as presently written gives the court the power whether district court or otherwise, to affirm or to set aside in whole or in part the finding of the Commissioner. I have added the word "modify" to give the court complete jurisdiction of the matter which I believe would be the sense of the committee to give the court complete power either to affirm, modify, or set aside in whole or in part.

I have proposed an alternate judicial review section with the idea that perhaps the committee would feel that the bill should have in it a section in which a local district court perhaps familiar with the local situation should take up the matter in the first instance. I recall that at the last session Representative Metcalf, who is a member of this committee, raising on the floor the point, when I was urging that the judicial review be held before the circuit court, that in many sections of the country the circuit court is so remote from the local district that it would be a great expense and time for people to bring the matter to court. If you will read the present section as written now, you will find that it starts in the district court with provision for appeal to a circuit court and then to the United States Supreme Court so that eventually you would have to come to a circuit court anyway.

My section eliminates the first step, the district court, because I feel that we should not try the whole matter de novo in a district court. I feel that an appellate court could decide it without going through a trial of the issues and rehearings entirely in a district court so that I

strictly urge that that section eventually contain in substance my provision that hearings will be held before a circuit court.

In the event the committee feels, as I indicated before, that that would be too remote, then I have set forth an alternate section in which I take out some of the confusion and vagueness of the section 103 as it is written now.

The section as it is written now does not specify any particular time in which such action may be brought in a district court. The place where the so-called summons is to be served is vague. It states it may be served anywhere in the United States. I think that would bring about confusion. Now, the bill presently states that if a State has a grievance they can bring an action for review by filing a summons and notice of appeal. That particular procedure is not too well known, if it does exist at all in the courts.

What it is, in effect, is a petition and in order to set the time running to prevent delay, I think the act should have what I have put in my proposed amendment, the following provision, that the Commissioner of Education should file a certified copy of his final decision, his report or his action under section 103 with the chief education officer of the State involved within 30 days after he has made his decision.

That at least would then provide the people in the State with a time to set their grievance running.

Also, my amendment provides that this filed report shall be open for public inspection. At the present time the act is silent about that. It just says that you may go to the courts after the Commissioner's final action.

I can very well see where some State wishing to complain about this might have to go to Washington or write for a copy of the report. It does not say where it should be filed. Without taking the time of the committee, since the committee may read it, I have set forth in, I believe, a simple way how a court action may proceed. You will note that I say that the petition can be in any form acceptable to the court so that we are not going to be involved in technical procedures. It specifies the time that this thing should start. It also provides that the petition may be served in person or by registered mail upon the local United States attorney who is the Government's judicial representative in every State and/or on the Commissioner; and I also add the word "modify" in section (b) where it states what the court may do with the finding.

At present the court may only affirm or set aside in whole or in part. I believe it will be the sense of the committee that once it gets into the courts a final determination could be had. Therefore, I use the word "modify."

At present the section starts off with the expression, "If any State is dissatisfied." Now, I very well can see a situation arise where the State government perhaps might be at odds with some of the local school boards or because of political connections the State educational commissioner may disagree with the governor and so I have reworded the beginning of the section by saying, "Any State or subdivision thereof or any party aggrieved." That goes down to the ordinary private citizen. I did not want to foreclose his right to go into court.

As to who may assert a grievance and as to how and where, my sections, I believe, take up the matter.



Mr. BAILEY. May the Chair inquire of the witness, will you be available in case the subcommittee in enacting this legislation might need to discuss this question?

Mr. ZELENSKO. Yes, indeed, Mr. Bailey. I have taken this up from the aspect of a practicing lawyer who might be called upon, not myself but some legal officer on behalf of the State to take the matter up.

In conclusion I would like to say that I have tried to make this simple, reasonable, understandable, easy on the Government and easy on the State, so that we would not have a situation sometime where somebody would come forth with some technical objection and say, "This does away with due process or does not give us a right to assert ourselves in the courts."

That is all I have to say at this time.

I wish to thank the members of the subcommittee. I shall be available and I appreciate the thought of the chairman that he might call me in to consider this.

Mr. BAILEY. We are glad that you made your appearance and I am sure that when the time comes for making a final draft of whatever legislation the subcommittee has a mind to write that we will want to discuss the particular phase of the legislation that you have been speaking to today and we will appreciate your coming back at that time.

Mr. ZELENSKO. Thank you so much.

Mr. FRELINGHUYSEN. Mr. Chairman, may I ask Mr. Zelenko a couple of very brief questions? I have no desire to delay matters.

You referred to the two major bills before this committee and suggest that you favor the Kelley bill, as I recall it, because it more nearly meets the requirements of the matter. I wonder if you could very briefly tell us why you prefer one over the other. There are certain basic similarities in them as I am sure you realize, and I wonder what aspects meet the requirements of the matter.

Mr. ZELENSKO. Anticipating a possible question and also for my own enlightenment, I have previously asked the counsel to the committee to prepare an analysis between the two bills. I forwarded a copy of this analysis to the Governor of the State of New York and retained another copy and on reading it I find that I favor H. R. 1, and let me take it up very briefly, because I think certain aspects of it are more simple and will be easier to enforce.

First of all, on appropriations, H. R. 1 authorizes \$600 million a year over a 6-year period. H. R. 3986 authorizes \$325 million. I feel that both sums are inadequate to meet the entire need of the situation but H. R. 1 gives more money. I think more money is needed so that I favor that aspect of H. R. 1.

Mr. FRELINGHUYSEN. I might add that, as the gentleman realizes, the larger figure might be a lot more vulnerable to those opposed to a program of this kind than would be a smaller figure. In any event, the Federal grant assistance is going to be a small part of the total construction which we can anticipate will result with or without Federal aid so that I do not assume that you consider there is any vital difference between \$600 million and \$325 million so far as meeting the total need in any case and you might run up against a lot more opposition with the larger figure.

Mr. ZELENSKO. I agree with the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I do not want to prolong the discussion.

Mr. ZELENSKO. I realize you are far better qualified and informed on the subject than I, but we both realize that any amount would be just the foot in the door. However, the larger figure puts the foot further in the door, and as to the question of vulnerability, the entire subject is vulnerable.

Mr. FRELINGHUYSEN. I do not like the expression "foot in the door" especially.

Mr. ZELENSKO. May I say on the question of vulnerability that the entire subject is being attacked and most advances are vulnerable and I am not worried about the vulnerability.

I am interested in getting as much money into this proposition as possible and that is why I think H. R. 1 has my approval in that respect.

Mr. FRELINGHUYSEN. Maybe I can ask you a couple of brief questions and get your reaction to them and clarify for myself what your position is. In this grant-in-aid program there is a difference between the two bills in the way the money would be distributed.

Mr. ZELENSKO. Right.

Mr. FRELINGHUYSEN. Did you favor making an attempt to aim it to make it available to those areas that need it most? In other words, would you take into consideration the per capita income of the State as well as the number of school-age children in the State in determining how much should go to an individual State?

Mr. ZELENSKO. H. R. 1 from the analysis of the counsel and from what I have been able to read, provides for allotments on the basis of school-age population and I believe that is the way it should be done.

Mr. FRELINGHUYSEN. Again you are saying that you do not think we should make any attempt to aim it at areas that need it most, the so-called poorer areas of the country.

Mr. ZELENSKO. Not solely at the poorer areas.

Mr. FRELINGHUYSEN. In no case will it go solely to poorer areas. It will go to the 48 States and presumably some of the wealthier areas not needing assistance by the Federal Government might qualify for assistance.

Mr. ZELENSKO. The gentleman said he would ask a brief question and I would love to give a brief answer. I think we have taken this matter up in committee many times and I cannot give a brief answer. I do not mean that with disrespect but answering your question briefly, I have given you my feeling. I think it should be on a per capita basis.

There is a problem of supplying it on the basis of need, but then we run across many other facets of this. The States that need it most perhaps need it most because they do not have moneys at all and we run into a question of balancing the equities of one State to another as to how much one State will provide for the education in another State.

My own State of New York will bear quite a burden here. I think this bill in a way would make its burden less than it would if the bill went in on the basis of pupil need.

Mr. FRELINGHUYSEN. I have one other question. Another possibility is to require a mandatory matching on the part of a State in order to qualify for Federal grants. Would you favor such a provision?

Mr. ZELENKO. Indeed I would, because that would require effort on the part of the State.

Mr. FRELINGHUYSEN. Would you like to see us encourage effort and perhaps penalize lack of effort?

Mr. ZELENKO. I would not use the word "penalize," but I think each State has to come forth in some measure to show its good faith and one of the aspects of good faith would be the matching of funds. Otherwise, we would be in the position of having the Federal Government, if legislation were enacted without this compulsory matching, have other States which perhaps did have some funds—and I concede that every State has difficulty in raising funds for whatever governmental purpose—paying for all of the education of a State that cannot match. I do not think there is a State in the Union that cannot match in some respect part of its requirement.

Mr. FRELINGHUYSEN. Now you are backing a provision in the administration bill which is not in the Kelley bill.

Mr. ZELENKO. I say, both bills are good, but time does not permit me to go into these different sections of the bill which I started to go into. I do say that, generally, H. R. 1 meets my approval, but H. R. 3086 has many good sections.

Mr. FRELINGHUYSEN. There are many similarities. The Kelley bill is incorporated from the original recommendations of the President.

Mr. ZELENKO. That is right; and Mr. McConnell's bill is a fine bill, but from a personal viewpoint from the needs of my district and the needs of my State, I think H. R. 1 more nearly meets the requirements. I do not wish to derogate the other bill. We will come to the point of compromising both bills, perhaps. Each bill has certain features.

Mr. FRELINGHUYSEN. Thank you.

Mr. ZELENKO. Thank you so much.

Mr. BAILEY. The committee will hear at this time Mr. Edward J. Steimel, Public Affairs Research Council, of the State of Louisiana. Would you further identify yourself to the reporter, Mr. Steimel.

#### STATEMENT OF EDWARD J. STEIMEL, EXECUTIVE DIRECTOR, PUBLIC AFFAIRS RESEARCH COUNCIL OF LOUISIANA, INC.

Mr. STEIMEL. I am Edward Steimel of Baton Rouge, La., executive director of the Public Affairs Research Council, of Louisiana, which is a privately supported nonprofit research and educational organization engaged in studies of State, local, and national governmental issues and problems. The purpose of it is to issue the material for public enlightenment and use.

We neither sponsor nor oppose any legislation, and did not, therefore, take a position on the philosophical question of the desirability of Federal aid. I am here principally to give you information about the financial capacity of the State of Louisiana, district by district, for meeting its school-construction needs, and also as to the willingness of the people in the State to do that. Before I go further, however, I want to call your attention to an error which we have made. It is a clerical error in the addition of column 5 in the publication that lists an article on Federal aid to school construction. The fig-

was on the ability of each individual district are correct, but the addition of that column apparently is in error because it looks like it is some \$200 million off. My figure there should be roughly \$387 million instead of \$580 million. Actually, it will make no difference because it still is on the surplus side, but it is an error and I wanted to call your attention to it.

I would like to go ahead and present this material which I have prepared.

The proposals for Federal aid for school construction are being supported by the contention that the localities and States are unable and/or unwilling to meet their school-building needs. That is the principal support of it.

These proposals are further based on a survey which I shall show later, and which has often been shown already, to be seriously deficient and, therefore, not a true estimate of needs at all.

Therefore, I wish to present information to show clearly that Louisiana—one of the poorest States according to the administration bill—not only does not need Federal aid but has unused bonding capacity after meeting its needs to equal almost one-third of the total 4-year appropriation in the administration bill. Since this material has been inserted in the record I will not ask that it be further inserted.

The major points I wish to emphasize are these:

1. According to the long-range planning phase of the school facilities survey, published in 1954, Louisiana's school building and transportation needs were placed at \$235.6 million to September 1959.

2. Since that time, 13 of Louisiana's 67 school systems have issued bonds sufficient to meet their school needs to 1959-60, and have issued \$7.7 million beyond their supposed 1959-60 needs as stated in the survey.

3. Thirteen of the other fifty-four systems have reduced their long-range needs to \$155.2 million.

4. Between January 1, 1948, and December 31, 1956, Louisiana property taxpayers have approved \$313.5 million in local bonds for school facilities. Between July 1, 1948, and June 30, 1956, only \$210.3 million of those bonds had been issued, thus indicating that close to \$100 million more in school bonds have been approved but have not as yet been issued.

Mr. FRELINGHUYSEN. Why is such a large percentage not issued?

Mr. STRAIN. They have been issuing them at a rather rapid rate lately. There is one for \$6 million in New Orleans authorized this year. They do not issue them that fast. Last year, as I recall, in Caldo Parish there was a bond issue. I cannot remember the exact amount, but I believe it was around \$15 million. You cannot issue those authorizations immediately. In East Baton Rouge Parish, as this will show later, we passed the largest bond issue that has ever been passed in the whole Nation last October, \$46 million. It would be an impossibility to issue those bonds that quickly. The big reason is that the issues have been approved by the voters and it is up to the school boards to issue them as their construction plans can materialize.

This \$100 million certainly should go a long way to meeting the \$155 million in needs remaining in the 54 systems. It should be recalled that a period of 2½ years yet remain in which to meet these needs before 1959-60 is here.

Louisiana has been meeting its school-building needs. Not only has Louisiana kept up with its increased enrollment and the replacement of classrooms through obsolescence, but it has added even more rooms to reduce the number of children per room in this period of peak enrollments. In 1954, I believe in October, the number of pupils per instruction room was 32. In 1956, September, the number had declined to 31.4; that is, even if your 624 classrooms were abandoned due to obsolescence, as was planned. I believe you have a report showing that they were not abandoned, which would reduce that to some lower figure. I think the abandonment last year is something in the neighborhood of 50 rather than 624.

**Mr. FRELINGHUYSEN.** Do you happen to know why the Department of Health, Education, and Welfare has no statistics of this kind available that would be included in the overall nationwide survey?

**Mr. STEINEL.** I notice in the report that was published by the United States Office of Education that almost every line regarding Louisiana showed "Data not available."

**Mr. FRELINGHUYSEN.** You do not happen to know why that was not available?

**Mr. STEINEL.** No; because I understand the information is to come from the State departments of education.

**Mr. FRELINGHUYSEN.** It was not a refusal by the State to supply it?

**Mr. STEINEL.** I do not know why it was not submitted, but there are a few States that apparently did not supply it and Louisiana is apparently one of them.

Here are some interesting comparisons that I think rather pertinent. In the 10-year period, 1946-47 through 1955-56, enrollments increased in Louisiana 36.8 percent. In the same period—and this is partly due to lifting of wartime restrictions on building materials—school capital outlay increased 1,188 percent. In the same period our assessments to support bond issues for school construction in Louisiana increased 72.7 percent, and constitutional debt limit increased 152 percent. The latter two actually give effect to an increase in bonding capacity for school construction of 333 percent—which is almost 10 times the 36.8 percent in enrollment. These comparisons should certainly attest to the willingness of Louisiana people to meet their school-building needs.

Although Louisiana is 1 of the poor States under the administration aid bill, 62 of the State's 67 school systems have more than \$387 million presently available in unused bonding capacity even after deducting the amount required to meet their needs to 1959-60, as estimated by the State department of education in the school facilities survey.

The remaining 5 systems as of today lack only \$4.1 million in bonding capacity to meet their needs to 1959-60. Part of that deficit will be eliminated as assessments rise during the remaining 2½ years between now and 1959-60. It should be noted that none of these five systems is as yet bonded to anywhere near capacity. It may be that the people there know their needs better than does the school facilities survey.

The administration bill would force several States not now in the field of school construction to go into the field if they accept the Federal money. Many people wonder why the National Government wants to force States into a program which localities have shown

their capacity and willingness to handle. This traditionally local government function would be taken away, at least in part, without even permitting the people the right to vote on it. The logic of this is hard to grasp when you are from a State which is meeting its needs under the present system.

The statement of need in the school facilities survey is obviously in error in view of such facts as the following:

1. East Baton Rouge, where I live, would only need to build \$825,887 worth of classrooms between now and 1959-60 to meet the needs shown in the school facilities survey. This seems rather silly in view of the fact that last October we voted over \$40 million for new school construction over the next 5 or 6 years. I rather doubt that we would have voted these \$46 million in bonds had we not needed them.

This, we understand, is the largest bond issue ever voted in any district in America for school buildings. Mind you, it was voted in one of those very poor States—Louisiana.

Does such a bond issue indicate unwillingness or inability to meet school needs? Does it speak for the accuracy of the school facilities survey?

After all \$46 million are issued—about 5 years from now—we will have a debt approximating 15 percent of assessment whereas we have a debt limit of 25 percent of assessment. So we can keep on voting bonds indefinitely as need arises.

It probably should be pointed out that assessments in Louisiana are estimated at around 20 percent of real value.

2. As mentioned above, 13 of our 67 school systems have already—as of January 1957—built beyond their 1959-60 needs if the school facilities survey is accurate.

Are we to accuse the people in these 13 parishes, or counties, of wasting their money on schools they do not need? Or is it more logical to assume the school facilities survey—on which the bills for Federal aid are based—is again in serious error?

At least no one can ever accuse the people of not supporting their schools where they have already built beyond what the education department survey said was needed.

Mr. FRELINGHUYSEN. I assume that the facts on which the school facilities survey was based came from your State. You are questioning the accuracy so sharply that I wonder how it happens that you send up such inaccurate information. Does the fault not lie with the State, not with the Federal office which receives the information?

Mr. STEINEL. I am not being critical of the Federal Office of Education. I am only criticizing what was stated in the school facilities survey to be the case.

Mr. FRELINGHUYSEN. But you are criticizing whatever agency in your State supplies the information. It is not the Federal Government's role in it?

Mr. STEINEL. You are absolutely right. The study was done by the department of education in Louisiana under the auspices of the United States Office of Education and in line with its criteria laid down for measurement of need. There is no question about who made the mistake in the assessment of need. It was made by the survey group in the department of education in Louisiana.

Mr. FRELINGHUYSEN. You use the figures which you say are much too small as a basis for saying there is no need and part of the time you

are saying the need is way underestimated because you have authorized \$46 million in your own area for school construction when the survey says that only \$825,000 was needed. Perhaps the needs are far greater than the survey indicates so that we should not minimize the fact that there is not a need on the basis of the material which the survey provided us with back in 1954. Did you have up-to-date information which could have been included?

Mr. STEIMEL. There is no question that the need in the school facilities survey in some instances in Louisiana was very definitely underestimated but we did not make a survey of need. We only know from specific instances that it was underestimated as in the case of East Baton Rouge. In other instances maybe it was overestimated. The thing I am trying to get at is that I do not believe that we can use the school facilities survey as the basis for determining need.

Mr. FRELINGHUYSEN. You have been doing it.

Mr. STEIMEL. I am having to do it because it is the only estimate on record but I am attempting to point out the deficiencies in it.

Mr. FRELINGHUYSEN. It is not a useful guide. You say you are spending \$46 million and the survey says that only \$850,000 is needed. I do not see that it is of any value to use it even for comparison as to what you are doing.

Mr. STEIMEL. Then on what basis are the Federal aid to education bills being proposed other than the school facilities survey?

Mr. FRELINGHUYSEN. We have no alternative to do other than rely on the information which the State education agencies provide us. If you can ridicule and poke holes in your own statistics, it seems to me the place to correct the mistakes is at the State level. Do not blame us and say there is no need for a Federal program because your own survey has shown there is no need. Our own survey in connection with Louisiana has shown exactly nothing because as you say, what you have actually done bears no relationship to what the indicated need in the State was.

Mr. STEIMEL. I agree with you. I am not disagreeing at all. I am not criticizing you.

Mr. FRELINGHUYSEN. I think it would be more accurate if you gave an indication of what the need is.

Mr. STEIMEL. My criticism is only of that portion of the school facilities survey relating to Louisiana. I am not criticizing the overall survey because we have made no research on it.

Mr. FRELINGHUYSEN. You say although Louisiana is one of the poor States 62 school districts have more than \$560 million presently available in unused bonding capacity even after deducting the amount required to meet their needs to 1959-60, according to a Federal survey. If the Federal survey is way off base as to what those needs are, why do you not give us the accurate estimated needs?

Mr. STEIMEL. We have not made a survey of the needs.

Mr. FRELINGHUYSEN. You do not know, then, whether we have a poor State which does need assistance if you have no idea of what the actual needs are and how adequately you are meeting them. You are just relying on facts which you say are inaccurate.

Mr. STEIMEL. I am relying upon the only survey that has been made that is supposed to be the basis of the need for the Federal aid for school construction in this country.

Mr. FRELINGHUYSEN. That is inaccurate to begin with. That is not the basis for our present determination. We have an up-to-date survey which unfortunately lacks adequate figures from your own State. We do have a modern, up-to-date survey which is perhaps subject to error but which is done on the best basis we know from the people in the various educational agencies in the State. We are not relying on the 1954 survey for consideration in 1956 of school construction legislation and I think it is ridiculous for you to come here and say, "We have no survey which tells us about the need. The one that I would like to use is so widely inaccurate that we will throw it out the window but we will use it to show that there is not a need which is not being met in the State."

Mr. STEINER. I am glad to see that you are willing to throw that portion out of the window.

Mr. FRELINGHUYSEN. You are the one suggesting we throw it out.

Mr. STEINER. You were relying on it up to this moment, were you not?

Mr. FRELINGHUYSEN. Definitely not, positively not. That is what I am trying to tell you. We are talking in 1957. We are not relying on a 1955 survey or a 1954 survey. We are relying on the fact that the President has reiterated the fact that there is a national shortage of classrooms. No matter how you slice it, there is a national shortage of classrooms until it is proved differently. Unless you can come in from Louisiana and disprove that there is a need for classrooms we are willing to assume that there is a need. You have not helped us to identify it by this testimony or by figures which have been omitted in the survey, unless you can successfully challenge those figures in that survey but on the basis of today we are relying on this up-to-date nationwide survey which incorporates almost every State except your own as to what the building program is for this present school year, what the present needs are, what the increased enrollments are doing, and again, what replacement of obsolescent classrooms there are in the individual States so that we have more up-to-date figures than the 1954 survey.

I would certainly say it is not of any great importance and, if you want to ridicule it and say it is no good, I do not object, but to say that it is no good and then say you are going to use it to prove a need seems to me weakens your case.

Mr. STEINER. I believe you tried to put words in my mouth. I have not ridiculed the school survey as such. I have ridiculed that portion applying to Louisiana. One of the things we are very much concerned about is that there has not been any survey by the President or anybody else as to the needs in Louisiana except this one.

Mr. FRELINGHUYSEN. Maybe it is because your State does not cooperate with the Federal Government.

Mr. STEINER. That, again, is not my problem.

Mr. FRELINGHUYSEN. I realize that. I am not blaming you individually, but you do say that the survey, and this is an antiquated survey, seems rather silly. Maybe that is not ridiculing the survey. You say that the statement of need is obviously in error but did not point out specifically what the present needs are or the way in which your State has overcome its past needs.

Mr. STEINER. I cannot without a research job. I am here only to testify as to the financial capacity of our State.



Mr. FRELINGHUYSEN. How can you know that unless you know how great the need is?

Mr. STEINEL. Gee whiz, I have the bond authorizations and the bond limitations which is part of the record here.

Mr. FRELINGHUYSEN. But you have no idea what the needs of the State are.

Mr. STEINEL. And no one else does.

Mr. FRELINGHUYSEN. Again, you cannot determine the financial capacity of a State to meet its needs unless you know what its needs are.

Mr. STEINEL. How can you in Washington determine unless you have a study also to determine the needs?

Mr. FRELINGHUYSEN. We have a nationwide study, as I have already indicated, which lacks certain information from Louisiana, but Louisiana is not in position to paralyze the Federal Government from taking what we consider reasonable action.

Mr. STEINEL. Has not the United States Office attempted to get information in Louisiana?

Mr. FRELINGHUYSEN. I assume they have, and they report no data available. We can check with the Department to find out why it is not available. I certainly do not know whether it is lack of cooperation on the part of the State.

Mr. STEINEL. I would not be anxious to say so. There has been no addition to the school survey except asking for additional information and revised information.

Mr. FRELINGHUYSEN. My friend Mr. Gwinn would say it is a questionnaire bringing up to date in a rough sort of way the approximation of how fully each State is meeting its needs.

Mr. STEINEL. We would like most of all to have a survey in the State of Louisiana as to the question of need.

Mr. FRELINGHUYSEN. If nothing comes out of this program but that you will take the trouble to make such a survey, I think we will have gained some ground.

Mr. STEINEL. I think we probably covered the remainder of my testimony here. We have gone into the \$40 million authorized in the one parish where a facilities survey said we needed less than a million, and 36 systems already overbuilding what was said to be their need. I know there has been a lot of testimony saying that the school facilities survey has overstated need. I wanted to show here some instances of understatement of need to show that it was possibly deficient in many respects either on the plus or other side. I know that other people have stated that the need has been overstated.

I think that I have no further information here to give you. We have pretty well covered this in our discussion back and forth.

Mr. FRELINGHUYSEN. I have just one more point about your own community. I assume you have some idea about the need in your own community?

Mr. STEINEL. I surely do.

Mr. FRELINGHUYSEN. You say that the 1954 survey indicated that the need was only \$825,000 but that you have actually voted to issue \$40 million worth of bonds for school construction. Do you figure that your need is going to be met on the basis of that or will there still be some unmet need?

Mr. STEINEL. No, this is exactly the program that was proposed by the superintendent of education in our parish and by the school

board and by citizens who met with the school board. They mapped this plan for a 5- or 6-year period based upon the very rapid growth in that community which is becoming a big industrial center. They projected the needs based on the increased enrollments of the past few years on into the future. This is exactly the program that was recommended. There does not seem to be any doubt but that it will meet the need. As to the ability of our parish to continue meeting its needs, that is also a part of this statement. After those bonds are issued which, as I mentioned, will be probably 5 years, our assessment in that parish will be such that we will have issued bonds equal to 15 percent of our assessments.

We have a limitation in the constitution of 25 percent of our assessment. Therefore, if we are equal with our need at that time we will certainly have a lot of capacity to build for a long, long time in the future and, of course, we are always paying off those bonds and will probably be just replacing the money paid off so that there does not seem to be any limit to capacity of East Baton Rouge Parish to meet its construction needs from now on.

Mr. FRELINOHUYSEN. This building program not only meets present needs but will meet anticipated needs for the next 6 or 7 years barring, of course, an unanticipated population growth.

Mr. STEIMEL. 25 percent, I understand, is one of the highest in the country but nevertheless we have a low assessment ratio. As you know, the South does have low assessment ratios. Ours was estimated as 20 percent, sometimes as high as 40; but the estimate is that the average is around 20 percent so that our real bond limitation is in the neighborhood of only 5 percent of real property values.

I wish to thank the committee for taking the time to hear this.

Mr. HASKELL. May I ask a question? Is this East Baton Rouge example you give one of the more wealthy areas?

Mr. STEIMEL. Very definitely. I mentioned it only because I live there and am aware of the situation.

Mr. HASKELL. Do you have any knowledge of your less wealthy areas?

Mr. STEIMEL. You may refer to the chart if you wish as to their capacity.

Mr. HASKELL. In your opinion, are the less wealthy areas meeting their responsibility as well as they should?

Mr. STEIMEL. Some of them may not be. We have had rather rapid school construction though in the State of Louisiana, as I mentioned to you before, in the past 10 years. The increase has been from some \$3 million in 1946-47 to \$37.4 million last year actually issued.

Mr. HASKELL. Does your parish feel a responsibility to help the areas in your State which are more in need?

Mr. STEIMEL. I could not speak for my parish.

Mr. HASKELL. Do you?

Mr. STEIMEL. I think that if there are areas of the State that cannot support their needs that it is a State problem then to step in there and assist them. We have only five parishes that indicate they do not have the financial capacity at the present time to do that.

Mr. HASKELL. Are there indications that your State will step in?

Mr. STEIMEL. There was a bill in 1955 proposing the distribution of \$38 million to all of the parishes of the State. Again, the wealthiest parish is getting their proportion as well as the others. It passed

both houses but was vetoed by the Governor because he understood that it was not going to help the parishes truly in need. One of our parishes, Livingston, had a need roughly \$3 million beyond its capacity. This bill would have only provided it \$300,000. Other parishes with greater surpluses would have gotten money, so he vetoed it. Livingston has nowhere used up its financial capacity yet.

Mr. HASKELL. Is there any indication that you are going to pass a bill which has some equalization in it?

Mr. STEIMEL. The feeling, I believe, by the legislature and administration is that first the parish should use up its bonding capacity. If it has done that, I believe the State would definitely step in. There was a proposal of that sort in 1955 also. Once they have reached their capacity, the State on a 2 to 1 matching basis or I forget exactly the requirements, but they would step in and give them considerable assistance.

Mr. HASKELL. Do you believe that the State will do these things that it has not done today?

Mr. STEIMEL. If the need is there. The thing is that the need has not been clearly shown.

Mr. FRELINGHUYSEN. May I break in?

Mr. HASKELL. Yes.

Mr. FRELINGHUYSEN. If the need is there, do you feel that the State might have a role to play where there is a proven inability to meet the need?

Mr. STEIMEL. Yes.

Mr. FRELINGHUYSEN. How would you feel about a State program to encourage a school district to tap its own buying capacity to make it easier for them to tax themselves adequately to provide the schools?

Mr. STEIMEL. I think it would depend upon the program. For example, we have a 25 percent bonding capacity authorized to each parish or district. They are coterminous. If the parish had reached that capacity, I think this would be an encouragement that the State might offer. If they had reached that capacity or approached that capacity then the State might very definitely offer them financial assistance and direct grants if nothing else.

Mr. FRELINGHUYSEN. My point was, would you be for or against a State program which would encourage them to reach their bonding capacity to make it easier for them to issue bonds up to that limitation?

Mr. STEIMEL. Well, again, I would have to know what the proposal was. Where would you start?

Mr. FRELINGHUYSEN. It might be a contribution to the service of the debt. There would be a contribution to the interest payment or amortization by the State on the debts that the school district might incur in one way or another to encourage them to tax themselves to their capacity.

Mr. STEIMEL. Well, I think there are a number of programs that might be worked out that would be perfectly acceptable to all the people or most of the people in the State where the State would assist and encourage in some ways the local school systems. I do not know exactly what kind of program would be best.

Mr. FRELINGHUYSEN. Presumably you would have no objection to the Federal Government doing the same thing, to encourage local effort.

Mr. STEIMEL. I am not here, as I said before, to take a position for or against the question of the desirability of Federal aid. I think Federal aid is in order, or State aid is in order where there is definite need shown.

Mr. FRELINGHUYSEN. Again, the definite need may exist because of their failure to tap resources which are available.

Mr. STEIMEL. But should we put the money in if we do not know whether the need is there?

Mr. FRELINGHUYSEN. I am asking whether the Federal Government might not legitimately and reasonably help out in the tapping of those local resources.

Mr. HASKELL. Let us assume that we know that the need exists. Then how do you feel?

Mr. STEIMEL. You mean if the State is not able? Are you first assuming that the State is not able?

Mr. HASKELL. If the State is not meeting its responsibility and let us assume a need that does exist. Will you then have objection?

Mr. STEIMEL. If a need exists and the parish cannot meet it and the State cannot meet it?

Mr. HASKELL. Let us say that the State does not meet it.

Mr. FRELINGHUYSEN. Or the local community has not met its responsibility. Would you have any objection to us encouraging the local community or the States developing and becoming more aware and doing more about accepting their own responsibility?

Mr. STEIMEL. Well, I certainly think they should be encouraged. I still do not want to put my organization on record as favoring or opposing because that would be the effect of that.

Mr. FRELINGHUYSEN. I do not want to force you into the taking of that position.

Mr. STEIMEL. Opinions are no good here. It seems to me that the thing this program is built on is need. If the needs exist I am all for it.

Mr. FRELINGHUYSEN. If the need exists because of an untapped capacity at the local level you are saying there is no need because the capacity is there. If the classrooms are not built, we are saying there is a need. We would like to encourage the building of classrooms, the tapping of the local resources that could build the schools and we want to do it in a variety of ways.

That is supposed to be the purpose of these bills, to encourage. All we seem to do is educate the individual witnesses instead of you educating us. That, I hope, is the basic purpose of the Federal program.

Mr. STEIMEL. I wonder, then, why so much of this aid is going to richer States of the country, if it is to encourage.

Mr. FRELINGHUYSEN. Again, you did not sound as if you understood the program. We do not know the allocation formula yet. The grant-in-aid approach is only 1 of 4 ways in which we might help. We might provide some assistance to State authorities that would issue bonds and we would contribute something to the servicing of those bonds so as to cover interest payments and amortization payments. We might provide some money for the direct purchase of bonds that otherwise could only be issued at exorbitant interest rates. There again, the capacity is there but there are exorbitant interest rates because if there is a school district which has some problem these bonds are not issued. We would make it easier to issue those bonds. In other words, we would be encouraging the very thing

that you say is important, the tapping of local capacity. It is not taking over what should be done at the local level. It is to see that it is done more quickly than it otherwise will be by the natural process of having no interference on the part of the Federal Government.

Mr. STEIMEL. As I say, I would have no objection to an encouragement program but you then get immediately to money being the principal encouraging factor and when you get money you get to the question of control, whether or not it is going to go with the money. Well, I think Federal control should go with the passage of money. When I buy a suit of clothes I determine which suit I want, and I think I have that right. When the Federal Government spends its money, I think it has the right to determine how that money should be spent so that I think the Federal control should go with the distribution of any Federal money. Then we get into a rather involved question and are discussing the philosophy or principle of Federal aid which I had hoped I would not get into.

Mr. FRELINGHUYSEN. We have no alternative but to grapple with those specific tough problems. It is not a question in our case of worrying whether Louisiana has misstated its own case in determining whether there is a shortage of classrooms. That is a relatively unimportant factor so far as we are concerned.

Mr. STEIMEL. According to the statement of need in the school facilities survey for Louisiana, if you will multiply it by almost 8 you will still find that our capacity is pretty much there. We have that much untapped capacity. I do not believe that the statement of need is that conservative. Our need right now is for \$155 million in the 64 systems according to that estimate. I recognize that it is in error. I would say that it surely is in error. After meeting that we would still have \$384 million left which is more than twice that much surplus above the need. I wonder, could the school facilities survey be that far off that it has understated by three times what the needs in the State of Louisiana are. I question that it could be that much off.

Mr. FRELINGHUYSEN. It could even be far greater on the basis of what you are now saying that they are understanding the need in Louisiana. Perhaps there is a problem which you are in effect denying by relying on figures from a survey which you have done your best to discredit.

Mr. HASKELL. May I ask one question? If integration were not a factor in Federal control in your thinking, how much objection do you have to the rest of the Federal control aspect?

Mr. STEIMEL. It is not a factor in my thinking, and I certainly did not want to get involved in that question. Certainly it will be a factor in the passage of the bill as I think we all recognize, but I do not think that that is the factor. We have been doing a rather creditable job in the State of Louisiana in building both Negro and white schools. They are separate, but we are not in a hurry to integrate.

Mr. HASKELL. Let us stay out of that question.

Mr. STEIMEL. Good.

Mr. HASKELL. If you eliminate that part of it, do the Federal controls that go with the simple school construction program really bother you a great deal?

Mr. STEIMEL. I am not interested in discussing it. We have given it no thought. We have not concerned ourselves with it. We do

believe principally in the principles of democratic government in our State and you are getting further away from it when you move to the national level. All of us recognize that, I think.

Mr. HASKELL. May I comment that this concern for the other element of this Federal control is probably the major factor holding up a lot of people on this bill.

Mr. STRIMEL. You mean integration?

Mr. HASKELL. No, throwing the integration out and considering the other controls.

Mr. STRIMEL. I think that is true.

Mr. HASKELL. Some people feel that it is important and some not.

Mr. STRIMEL. I think one of the reasons that people think it more important than, for example, the Hill-Burton fund distribution and controls going with that, is that a person who goes to a hospital goes to a hospital roughly for 10 days out of 10 years and is only getting his body mended but in a school we have children going to school for 180 days a year.

Mr. FRELINGHUYSEN. But you are not suggesting that the Federal Government is running a hospital?

Mr. STRIMEL. No. That is one of the reasons that people are not too much concerned because one is the mending of a body for 10 days in 10 years and the other is the shaping of a mind for 180 days a year.

Mr. BAILEY. Let the Chair interrupt. We are talking about building classrooms.

Mr. STRIMEL. I recognize that. I was making the comparison because it had been made here.

Mr. FRELINGHUYSEN. If we had the hospital for chronic patients in for no less than 10 years and you could not qualify unless you had a disease that would keep you there for life, you still would have no Federal control.

Mr. STRIMEL. I am not objecting to the control. It is not my opinion. I am only saying what I have heard others say about it.

Mr. BAILEY. Let the Chair ask a question. Do you feel that the fact that you supply a new modern up-to-date classroom for a youngster would influence his thinking contrary to the basic precepts of our American way of living?

Mr. STRIMEL. Not necessarily.

Mr. BAILEY. I think it probably would improve the situation if we had better classrooms in which to go to school.

Mr. STRIMEL. I would certainly not say that it would, but I would not say that it would not, either. It depends on how the money is allocated and what strings might be attached.

Mr. BAILEY. This committee is charged purely with the question of dealing with school classroom construction.

Mr. STRIMEL. I recognize that.

Mr. FRELINGHUYSEN. I do not see how. I say that it depends on the way the money is allocated as to whether there would be some Federal control of the child. I still do not understand how there would be any possibility of controlling the thought process.

Mr. STRIMEL. I am not making that charge. I do not want those words put in my mouth.

Mr. FRELINGHUYSEN. You said it. That is why I said it.

Mr. STEIMEL. I only said that the reasons why I understood some people thought the control factor was greater on one hand than on the other. That was only an expression of opinions that I have heard.

Mr. BAILEY. Thank you, Mr. Steimel, for your interesting appearance.

The committee has decided to recess until 2:30 o'clock this afternoon, at which time we will hear Mr. Steve Stahl of the Oklahoma Public Expenditure Council.

The committee will recess until 2:30, in this committee room.

(Whereupon, at 12:15 p. m., a recess was taken until 2:30 p. m., of the same day.)

#### AFTERNOON SESSION

Mr. BAILEY. The subcommittee will be in order.

As agreed at the meeting this morning, we will not have to call the roll.

Is Mr. Steimel present, the man who testified just before lunch?

Did you have something further you wished to have entered in the record?

#### STATEMENT OF EDWARD J. STEIMEL, EXECUTIVE DIRECTOR, PUBLIC AFFAIRS RESEARCH COUNCIL OF LOUISIANA, INC.— Resumed

Mr. STEIMEL. Yes, sir. It was a part of the statement, but in the questioning I overlooked giving it this morning.

It was just a newspaper release that I wanted to read for the information of the committee, because there were several questions regarding whether or not there is need in Louisiana. This is the expression of someone else as to whether there is need for Federal aid. It is a newspaper release, or article, quoting Mr. J. B. Robertson, assistant superintendent of education, State of Louisiana. I will just drop down here to the pertinent point.

He was the only speaker who touched on the ticklish question of Federal aid to schools. He was asked from the floor what he thought about the subject of Federal aid to schools.

He replied that if Federal aid, as commonly meant, were made available without Federal control, he thought much objection might be removed. He added that few persons expected that aid would be made available without control.

And here is the direct quote from him:

"Louisiana can support her schools without Federal aid," he concluded. "Of course, we would take it. But the control issue is very much present."

I simply wanted to submit this for the information of the committee.

Mr. BAILEY. It will be included in connection with your testimony. (The newspaper article follows:)

(State Times, Baton Rouge, February 13, 1957)

#### EDUCATION NIGHT OBSERVED AT NOMA DINNER MEETING

Mrs. Richard A. Kinney, business education teacher at Baton Rouge High School, and Miss Johnnie May Dyess, of Baker High School, received awards for outstanding achievement at a dinner meeting of the National Office Managers Association in the Log Cabin last night.

Mrs. Kinney was named "Business Teacher of the Year" while Miss Dyess received a plaque in recognition of her achievements as a business education student and in extracurricular activities.

The presentations were made by Floyd Guillot of New Orleans, international president of NOMA.

Miss Gladys Peck, supervisor of business education for the State department of education and toastmistress for the dinner, pointed out the "education night" theme of the meeting and introduced the speakers.

J. B. Robertson, assistant superintendent of education, described the functions of the State department as falling mainly in the fields of providing leadership in Louisiana education, serving as a regulatory agency in organizing conformity with State laws and policies of the State board of education, and serving as directing agency for vocational rehabilitation.

He was the only speaker who touched on the ticklish question of Federal aid to schools. He was asked from the floor what he thought about the subject of Federal aid to schools.

He replied that if Federal aid as commonly meant were made available without Federal control, he thought much objection might be removed. He added that few persons expected that aid would be made available without control.

"Louisiana can support her schools without Federal aid," he concluded. "Of course we would like it. But the control issue is very much present."

Ralph Teague, head of the high-school division of the State department, defining "the philosophy of education," construed it to mean in Louisiana a total program of education for all children, a program in which citizenship training was an integral part. He also pointed out the growth in the number of accredited high schools in the State, from a total of less than 200 in 1948 to a current total of 260.

Dr. Tom Landry, head of the division of elementary education, cited what he called the importance of a child's development in elementary school in relation to what the child would do in advanced classes. He added: "The three R's are as important as ever before."

Charles Gilbert, assistant superintendent of East Baton Rouge Parish schools, cited the growth of the system with its present 1,400 teachers, 60 principals, and about 32,000 students. He said the number of teachers had been about doubled in 7 years and cited the construction progress of the parish public-school system.

Dr. John Green, East Baton Rouge Parish supervisor, cautioned against complacency in viewing school system growth and progress.

"We should be sure that instruction keeps pace with construction," he concluded.

O. M. Helveston, principal of Baton Rouge High School, told of the growth of business education in that school; said the school expected an enrollment of about 1,700 students next year, and said the aim in high school was to "help the child develop capacity."

Guy Summers, principal of Baker High School, told of what he called "a strong industrial arts department" to the school and said the preceding speaker had "well outlined" the problems and aims in high schools.

Art Bagwell, treasurer of the Union National Insurance Co., told of a recent tour of East Baton Rouge Parish schools he and others had made with Miss Peck, and said "everybody over 40" ought to tour high schools to compare how they are now with "how they were then."

Schler, who made the same tour, supplemented Bagwell's observations.

Mrs. Euna Sanders, business education teacher at Istrouma High School, told of cooperative education programs in which students attend classes and hold regular jobs in addition, and pointed out how the program was a major aid for students not intending to attend college.

Richard Clanton, of the State department and assigned primarily to work with chapters of the Future Business Leaders of America, told of that organization and its growth in Louisiana. He said the national organization largely was patterned after the Louisiana format.

Sandra Williams, Istrouma High School student, described her classes in business education.

**Mr. Baner.** The committee at this time will hear Steve Stahl, Oklahoma Public Expenditures Council, and chairman of the National Conference of State Taxpayer Association Executives.



**STATEMENT OF STEVE STAHL, EXECUTIVE VICE PRESIDENT, OKLAHOMA PUBLIC EXPENDITURES COUNCIL, AND CHAIRMAN OF THE NATIONAL CONFERENCE OF STATE ASSOCIATION EXECUTIVES**

**Mr. STAHL.** Mr. Chairman, I am Steve Stahl.

**Mr. BAILEY.** Identify yourself and proceed.

**Mr. STAHL.** I reside at 1919 Northwest 33d Street in Oklahoma City and I am the executive vice president of the Oklahoma Public Expenditures Council and chairman of the National Conference of State Taxpayers Association Executives.

**Mr. BAILEY.** You may proceed with your testimony.

**Mr. STAHL.** Thank you.

The Oklahoma Council is a privately supported, nonpartisan, statewide citizen organization interested in securing efficient, economical government at all levels.

**Mr. BAILEY.** What is the membership of your association?

**Mr. STAHL.** The membership at the present time is in the neighborhood of 2,200 men and women coming from every county in the State with but one exception. About 42 percent of our total budget is raised in collections of \$100 or less, so I do believe it represents a true cross-section of the people of Oklahoma.

Certainly I would not leave with this committee the idea that I am representing the entire State of Oklahoma by any manner of means.

The conference is an association of the executive officers of similar State groups across the country.

Both organizations have consistently opposed Federal aid for education, including Federal aid for school construction. In fact, the conference has opposed such aid since 1942 for what we consider to be the valid reasons that Federal aid to education is not needed, is not sound, not desirable and not safe.

Since 1942 we have conscientiously reexamined the situation from year to year and we have found no reason to change our position on this question.

Certainly we can all agree that the only legitimate reason for the Federal Government—which is now imposing higher tax rates and expecting more money from the pockets of its citizens than ever before in the history of the—to participate in the financing of education is on the basis of proven need.

**Mr. Chairman,** we contend that such a need does not exist. Your committee has already received statements from some of my colleagues, which support this contention and I have with me statements from others which we respectfully request be included in the record.

Significantly, the statement from Wyoming contains the text of memorial passed by the Wyoming Legislature and signed by Governor Simpson on February 12, 1957 in opposition to Federal aid to education.

We will not usurp your time by attempting to analyze the details in these various statements. However, the statement from New Jersey is so important that your permission to read it at the conclusion of my statement would be greatly appreciated.

**Mr. FRELINGHUYSEN.** Mr. Chairman, may I interrupt?

Mr. BAILEY. Mr. Frelinghuysen.

Mr. FRELINGHUYSEN. I would like to hear you comment on that. As a Representative from New Jersey I would like to discuss it.

Mr. STAHL. I will not be prepared, so, to answer any questions with regard to Mr. Tellinghast's statement, but I do think it is a very significant one and I would be glad to discuss it with you. However, as to answering any details on it I am not in a position to do so.

Mr. FRELINGHUYSEN. You would not mind commenting on it, I imagine?

Mr. STAHL. No. I think it is a very important and significant statement on the whole question of Federal aid. Not only education, but the whole field.

In further support of our position that Federal aid for education is not needed, your attention is again called to the report of the Inter-governmental Relations Commission to the effect that:

Federal aid is not necessary either for current operating expenses for public schools or for capital expenditures for new school facilities.

And the conclusion of the White House Conference on Education to the effect that:

No State represented—  
and all States were—

has demonstrated financial incapacity to build the schools it will need during the next 5 years. But, with the exception of a few States, one of the States presently has plans which indicate a political determination powerful enough to overcome all the obstacles.

If any State or group of States lack such "political determination" then certainly it is a malady which cannot be cured by Federal aid.

Mr. FRELINGHUYSEN. Why is that? Might it not be possible for the Federal Government to make it easier for States and communities to do the job themselves?

Mr. STAHL. Certainly the Federal Government could take over all of the responsibilities of government.

Mr. FRELINGHUYSEN. That was not my question. Of course the Federal Government is not even considering taking over all the responsibilities even in education. I asked whether it would be possible for the Federal Government to encourage an acceptance of the local responsibility by the local school districts?

Mr. STAHL. I do not believe, sir, that you are doing that by Federal aid. I think you will find in the—

Mr. FRELINGHUYSEN. That is not an answer to the question either. Again we may differ as to the advisability of Federal aid. That is not what I am asking you. I am asking you whether it is not possible in your opinion for the Federal Government to encourage responsibility of a community to do its own job, to provide some of that backbone, that political determination, which you said would not be forthcoming if any Federal program were available.

Mr. STAHL. Frankly, the only way the Federal Government could do that would be through leadership. And I think as I get into my testimony further you will realize exactly what I am talking about.

Mr. FRELINGHUYSEN. Then you do envisage a possible role for the Federal Government in the field?

Mr. STAHL. Of encouragement through accurate factual research and leadership, yes.

Mr. FRELINGHUYSEN. Perhaps, though you may differ with it, through the concrete assistance which could be provided in the form of the purchase of individual school-district bonds or the servicing of debts that State authorities might set up, or by direct grants-in-aid? Grants-in-aid have been used. They are not an untested method of assisting communities to do their own job.

Mr. STAHL. Well, very frankly—and I am not sure you will be satisfied with the answer to this question—I am just not in favor of Federal aid per se.

Mr. FRELINGHUYSEN. I think that is quite obvious already. But I am still saying that the Federal Government may express its interest and assist communities to do their own job. Whether you are in favor of it or not does not seem to me to be too relevant.

Mr. STAHL. Well, I do not think we are going to increase my political determination or my moral suasion one iota, Congressman.

Mr. FRELINGHUYSEN. I am not trying to increase your political determination.

Mr. STAHL. I think it applies to the State as well as the individual.

By giving me a little more money to buy more groceries or something like that if I am not taking care of my wife—I do not think that is going to increase my political determination.

Mr. FRELINGHUYSEN. If we put you in jail for beating your wife we might encourage some harmony in the home.

Mr. STAHL. You might discourage me from beating my wife.

Mr. FRELINGHUYSEN. Maybe that is what we are trying to do, except we are trying to take a positive approach. We are trying to encourage the States and localities in the issuance of school bonds in this case.

I think perhaps we should let the witness proceed with his formal statement.

Mr. STAHL. In this continuous all-out campaign for Federal aid—

Mr. GWINN. Mr. Chairman, just 1 minute.

My colleague is so careless about this whole question I cannot help but comment, if I may, that when we stop you from beating your wife—

Mr. FRELINGHUYSEN. It is Mr. Stahl in his hypothetical case that is beating his wife. He could use me if he would rather.

Mr. GWINN. We are then functioning as a government was designed to function. According to one theory, in opposition to my colleague's general philosophy, that is the only thing that the Government can do to us to encourage us and help us, that is to protect us from injury, harm, and defend us in our house. That is protection against violence.

But when the Government takes over or weakens our right arm to get bread for our own wife by relieving us of that responsibility, it is an aggressor then against us and against us and our wives. It is interfering with our management. That is not the function of government.

Mr. FRELINGHUYSEN. I know of no school-aid program that is designed, or would have the effect of disabling the community. It is to make it easier, to make their arms stronger to do their own job.

Mr. GWINN. The witness has indicated that if you did that he would be inclined to lean on you.

Mr. FRELINGHUYSEN. If it would make his job easier I think he might lean. I should think he would be in favor of this program.

Mr. GWINN. But it does him no good.

Mr. FRELINGHUYSEN. If it makes it easier for him to do the job I presume it does him good.

Again I do not think we ought to get off on a philosophical problem.

Mr. GWINN. We ought to try to get the other side presented.

Mr. BAILEY. Proceed, Mr. Stahl.

Mr. STAHL. Congressman, may I make one comment there before proceeding with the rest of my testimony?

Again I cannot tell you what the situation is in all these States, but I do know that we have a number of areas in Oklahoma that are leaning entirely or almost entirely on State aid because we are making State aid available to them. And I think if you put the Federal Government into the picture on the financing education, if you committed it definitely to the policy that the Federal Government had a responsibility to finance education, you would find that same thing true not only in local areas but in the States.

Mr. FRELINGHUYSEN. There is a big "if" involved. If there were an unrestricted availability of Federal funds your argument might have some validity. But there are strings attached to this Federal aid. It is not going to any community just for the asking. They have got to prove a need, they have got to have a priority from their State in comparison with the needs of other school districts. There are lots of strings. There has to be matching on the part of the States. It is not just going to be readily available as a slush fund with the idea of "turning to Uncle Sam because he is going to do the job for you." It is just a misunderstanding of what the program is, it seems to me, to advance that kind of argument.

Mr. BAILEY. The Chair would like to point out before we proceed with your testimony that millions of dollars of Federal money have been spent and poured into Oklahoma City and the Midwest area under Public Law 815. Your group seems to have been in business since 1942 out there.

Did you oppose Public Law 815?

Mr. STAHL. Mr. Chairman, if you will let me refer to my testimony before the House Committee on Education and Labor in April of 1956 I made the statement, and I still stand on that statement, that we are opposed to Federal aid with but two exceptions: one, Federal aid to impact areas which is what you are talking about, and the other to any State which has demonstrated a financial inability to finance its schools system. And I still stand on that statement.

Mr. BAILEY. Well, if you do not oppose Public Law 815 which puts Federal money in and under which we built \$2,200 million worth of school buildings over the last 6 years, if you do not find fault with that, I am telling you that there are more Federal controls in Public Law 815 than there will be in any bill that this committee reports out. Why would you oppose general Federal aid for school construction and still put an O. K. on Public Law 815?

Mr. STAHL. Mr. Chairman, they are entirely two different subjects, two different animals. One of them is actually, where you have an impact area, putting Federal money up, as I conceive it at least, in lieu of taxation; whereas what we are talking about here is general overall Federal aid program.

Mr. FRELINGHUYSEN. The reasons for the programs are different but I do not think the result would be different at all. There would be Federal money available under both programs if certain conditions

were met. Their being met for different reasons is a Federal responsibility.

Mr. STAHL. But one is for specific areas.

Mr. FRELINGHUYSEN. Why would you be for one and against the other if they are both aimed at a specific problem, set up for admittedly different reasons?

Mr. STAHL. Very frankly, for this simple reason: I do not see any great danger or great threat of having Washington take over control, complete control of the schools through your impact area program. I do through the other one.

Mr. FRELINGHUYSEN. I do not see any justification for your second fear. I only wish you would elucidate, and perhaps you will if we would let you.

Mr. STAHL. Shall I proceed, Mr. Chairman?

Mr. BAILEY. You may proceed, and I will reserve any other questions I have.

Mr. STAHL. In this continuous, all-out campaign for Federal aid, which is now centered on school construction, proponents have consistently magnified the need, under estimated State and local ability and attempted to conceal the tremendous efforts that were being made by the States to solve their own educational problems.

Mr. FRELINGHUYSEN. Do you know one witness who has come before the committee and attempted any such thing?

Mr. STAHL. No, I do not. I have not, naturally, been at all your hearings. I do know that from a standpoint of the information that people themselves are receiving there has been no attention called to the tremendous effort that is being made by the States.

Mr. FRELINGHUYSEN. President Eisenhower has underlined the tremendous effort which has been made and is being made and the increasing rate of construction, and yet, as he points out, there is still a serious national problem.

It does not seem to me that anybody is underestimating the ability of the communities or the States or that they are belittling in any way what is presently being done. And yet—and here is where we disagree—and yet there is a shortage of classrooms, nationwide.

Mr. GWINN. Mr. Chairman?

Mr. BAILEY. Mr. Gwinn.

Mr. GWINN. If we are going to testify ourselves up here—and I think we should once in awhile testify—but if we do, we have got to call attention to the fact that Mr. Folsom himself has done just what the witness himself has described, misrepresented, or, to use a kinder word, failed to present any exact facts of shortage. His statements are generalizations to show the need for the Federal Government to interfere again.

Mr. FRELINGHUYSEN. Mr. Gwinn, do you think that he has ever underestimated the tremendous efforts being made by the States themselves?

Mr. GWINN. He has not told us. We had to wait on Mr. Adams, of the American Bankers Association, to come forward with bond sales, which are available to Mr. Folsom as well as to Mr. Adams, to tell us the enormous rate at which funds are being raised in all of these States to build not sixty-thousand-odd schools that Mr. Folsom spoke of, but 69,000 plus 96,600 schoolrooms.

Mr. BAILEY. Will the gentleman from New York permit the Chair to interrupt?

I hope he does not think that any member of the subcommittee except himself felt for that testimony of Mr. Adams.

Mr. GWINN. I think you will find out that that cannot be disputed.

Mr. BAILEY. He could not furnish proof of it.

Mr. GWINN. That is the point I made, that the proponents of this legislation, which is what the witness says, are all the time screaming about the inability of the States to meet this need.

Mr. BAILEY. We have a Federal Commissioner of Education, and we have a Secretary of the Department of Health, Education, and Welfare, selected by the President and approved by the Senate, a man who is supposed to know the facts. Yet you would prefer to accept the unauthenticated figures being proposed by the gentleman who is testifying now in preference to taking the figures from the Federal Commissioner of Education.

Mr. GWINN. I certainly would. I know something about those figures. I have been down there in the Office of Education and found out for myself that they are most unreliable. They are based on post-card questionnaires.

Mr. FREELINGHUTSEN. They are a lot better than anything else we have available. They are based on the reports from the State educational agencies. If there is any better source of information, or any way we could improve on them, we certainly would, I assume. But for want of a better source that is what we have. And I do not think we are going to get any better information from a witness who says we continue the attempt to conceal what is being done. There is not any way that I know that you could conceal what is being done without any Federal assistance. And I know of no attempt, as an example, to conceal anything about the nature or the magnitude of the school construction program which is presently going on.

Mr. GWINN. Their failure to give us the exact information on what is going on in the States is, under the law, a failure to come forward and say—

Mr. FREELINGHUTSEN. There is no such failure to give information that is available.

Mr. GWINN. It is an omission which amounts to a commission. There is our source of information, but we get it one sided and slanted, all for Federal interference with the States, and not anything on the other side. That is bad testimony. And it is bad business to rely on the bureaucracy that is itself a propaganda agency for promoting itself into our affairs.

That is the kind of testimony that we have been getting as against actual bond sales that are recorded every day for school construction. That is the kind of testimony they ought to be bringing us. That is factual material and not material of proponents such as teachers' associations, or any area of chapters in the States, or persons that are personally interested.

We might as well send out post cards to the children in Oklahoma and say, "how many ice cream cones would you children like to have if Uncle Sam will send them to you?"

That is the kind of information we are getting.

Mr. BAILEY. Well, the Chair is of the opinion that that type of information furnished by the proper State school authorities is much

more dependable than what can be furnished by the Chamber of Commerce of the United States, and this gentleman's Association of Taxpayers Leagues. I think he calls his group something else in Oklahoma but it turns out that he is a national officer of the taxpayers organization.

Mr. GWINN. One is of the taxpayers that pay the money to the teachers and the professional educators, and the other is professional educators who receive the money.

Mr. BAILEY. As far as the Chair is concerned, I am going to official figures on the Federal Department of Education myself.

You may proceed, Mr. Stahl.

Mr. STAHL. I do not profess to know in detail the financial requirements and ability of each of the 48 States to provide adequate educational opportunities for their children.

I do know what the situation is in my own State. We can take care of our own educational needs and have demonstrated time after time the desire and ability to do so. If Oklahoma, which has been classified as one of the "poor" States—a label to which I object strenuously—can provide for its educational needs, so can all the other States. Statements to this committee from my colleagues substantiate this fact.

Here are a few figures taken from official State documents which show what Oklahoma is doing in the field of school finance.

School revenues have increased 57 percent from \$82.7 million in 1950-51 to \$130.2 million in 1955-56. The amount will be raised another \$9 million next year in State funds alone under proposals now being favorably considered by our legislature.

Per pupil operating cost has increased 34 percent from \$102.66 in 1950-51 to \$239.73 in 1955-56.

Average teacher salaries have increased 34 percent from \$2,807.76 in 1950-51 to \$3,768.25 in 1955-56 and our legislature is now planning a further increase of possibly as much as \$600 per year per teacher.

School bond issues, which certainly touch upon the subject we are discussing here today, approved in 1951 amounted to \$6.4 million. Last year they amounted to \$27.2 million. This is an increase of 323 percent. Actually the people of Oklahoma have voted \$78.7 million in school-bond issues in the past 6 years. And we are continuing to vote bonds when needed as proven by the fact that already this year, or during the first 6 weeks of this year, an additional \$3.3 million in school-bond issues was approved during the first 6 weeks of this year. We still have a bonding capacity of more than \$120 million even though the school facilities survey reported a total financial resources at only \$60.7 million.

As further proof that we are taking care of our school buildings problems, no mention was made of building needs in the legislative programs of the Oklahoma legislative council committee on education, the Oklahoma Education Association, the Oklahoma School Boards Association or the Oklahoma Congress of Parents and Teachers.

Our legislature has been in session 2 months and thus far no school-building measures have been introduced. Surely if we had a classroom shortage or a school-building problem of any magnitude in our

State, it would not be ignored by the legislature or by these organizations interested solely in education. If you want to accept the latest report from the United States Office of Education entitled "Fall Statistics on Enrollment, Teachers and School Housing in Full-Time Public Elementary and Secondary Day Schools" as entirely reliable, you must admit that Oklahoma does not need any Federal aid for school construction.

Mr. FRELINGHUYSEN. Do you want us to accept it as entirely reliable or do you not?

Mr. STAHL. I do not. But I say if you do. And you have indicated that that is the basis of information you have.

Mr. FRELINGHUYSEN. If we cannot accept it as entirely reliable we do not know whether there is a need or not.

Mr. STAHL. I would certainly agree with you, Congressman. And if my appearance before this committee does nothing more than to indicate to the committee that the time has come for an accurate reliable survey of this situation, then I will be very happy. And I would say you do not have it at the present time.

Mr. GWINN. You are going to contrast that report which you have referred to as Circular No. 400 with the facts, are you? Is that what you propose to do?

Mr. STAHL. I am going to point this out in continuing my statement, Congressman: this report showed that we have a classroom capacity, if it were properly located in Oklahoma, to house 98,000 more pupils than we have enrolled. That might be a fairly close guess because of our shifting population from our rural areas to our urban areas. But the report also shows that we needed at the start of this year 500 classrooms. And I think this is important: we are planning to build 1,200 or more than twice as many as we need.

Mr. FRELINGHUYSEN. This is all information from the survey which you are telling us to reject?

Mr. STAHL. I am not telling you to reject it. I say it is subject to question.

Mr. HASKELL. It is interesting that the survey comes out under the number of classrooms built. In other words, they indicate less in need than what actually was built.

I assume they are not building them just to stand around empty.

Mr. STAHL. Well, I cannot certainly give you the information, or the worksheet back of that most recent report from the United States Office of Education. And I will discuss that further on in my statement.

Mr. FRELINGHUYSEN. The survey tends to substantiate your own position that there is not any need in the State that has not already or will not be met during this school year. I do not know why you tend to criticize so violently if it tends to support your position.

Mr. STAHL. For the very frank reason that in the first place, in my own judgment, we have a classroom need in Oklahoma at the present time greater or did have at the start of this school a greater than 500,000 because of the fact that we do have this problem of shifting population.

Mr. GWINN. But your point is that that is not reflected in the report.

Mr. STAHL. That is right.



Mr. GWINN. And that the need is not a need that the Federal Government need supply but that you are already supplying that need. Is that what you are saying?

Mr. STAHL. That is exactly right. And we still have, again I point out, \$120 million left in bonding capacity.

Mr. FRELINGHUYSEN. But the Federal report tends to bear you out, that there is not a shortage of classrooms that is not being met. They are not contradicting what you say.

Mr. STAHL. That is right.

Mr. FRELINGHUYSEN. I do not know what you are arguing about then.

Mr. GWINN. He is a citizen of the United States. Maybe he thinks that report is not accurate some place else.

Mr. STAHL. I do not think it is accurate for Oklahoma, period. And I think later on in my testimony you will realize why I have that feeling about it.

Mr. HASKEILL. At least it is conservative, though, as to need.

Mr. STAHL. Yes.

Mr. GWINN. It is another illustration, if my colleague will bear with me, of the failure to show what the State is doing, the failure to show what a good job Oklahoma is doing.

Mr. FRELINGHUYSEN. It says Oklahoma is building more classrooms than it needs. I do not know that that is a failure or not.

Mr. GWINN. It does not show the facts.

Mr. BAILEY. The Chair would like to make this observation, that if the gentleman is satisfied that Oklahoma is in a position to handle this situation, is there not a responsibility on a national basis?

For instance, my State legislature in West Virginia is in session now and within the past week they have passed a law authorizing the school boards to assess a \$10 per capita tax on every citizen above 21 years of age for support of the schools. Then you come here and try to tell us that you should not have Federal grants and aid for schools.

Mr. STAHL. Mr. Chairman, I think I have just exactly what you are talking about in the next two paragraphs in the statement.

Mr. BAILEY. You have a \$500 homestead exemption law in Oklahoma, do you not?

Mr. STAHL. No, sir. We have a thousand dollar homestead exemption law.

Mr. GWINN. Would the gentleman from West Virginia like to hear the witness proceed?

Mr. BAILEY. The gentleman from New York's position is well known. It would not make any difference what kind of legislation this committee tries to report, the gentleman from New York is going to be against it.

And I assume that is exactly the attitude of the witness.

You are opposed to any Federal grants-in-aid of any kind. And I will say this to you: When you accept money under Public Law 815 you haven't any business coming in here and expressing opposition to a grant to take care of some of the rest of the country like we have been taking care of Oklahoma by millions of dollars in Federal grants under Public Law 815. The Chair just wants to make that perfectly clear.

Now you may proceed with your testimony.

Mr. STAHL. All right.

An analysis of the information in this report—and I am again referring to the false statistics which were presented to you by the United States Office of Education—reveals that 1,100,000 children, or approximately one-half the 2,205,000 "pupils in excess of normal capacity" reside in the 24 States with the highest per capita income. Most of these States will receive less in Federal aid than they will contribute to such aid.

Mr. FRELINGHUYSEN. Did you tell us this was false information?  
Mr. STAHL. I did not say it was false. I said it was subject to question.

Mr. FRELINGHUYSEN. Just then I thought you told us that we had to beware of it because it was false information.

Mr. STAHL. I said it was subject to question. I am analyzing the report which I think a perfectly logical thing to do.

Mr. FRELINGHUYSEN. Again I do not know whether you are relying on these figures or you are telling us not to rely on them. Why are you analyzing them if we cannot rely on them?

Mr. STAHL. I think it is a perfectly legitimate position for a person to analyze any report that is submitted as an official document.

Mr. FRELINGHUYSEN. It is not a question of whether it is constructive. If you are saying, "don't believe anything you read in the report," why do you go ahead and analyze it?

Mr. STAHL. I think I have a perfect right to do so, Congressman.

Mr. BAILEY. You may proceed.

Mr. STAHL. All right.

All of the remaining 1,180,000 "pupils in excess of normal capacity," 861,520, approximately three-fourths of them, reside in the following States: Alabama, Arkansas, Georgia, Kentucky, Mississippi, South Carolina, Virginia and West Virginia. Therefore the problem is not national in scope.

Mr. FRELINGHUYSEN. May I interrupt?

You have to rely on those figures to even claim that it is not national in scope.

Do you believe that is a true or false statement with respect to those 8 States having 1,180,000 pupils in excess of normal capacity?

Mr. STAHL. Congressman, what information are you relying on, may I ask? Is Congress relying on the information that is in this table?

Mr. FRELINGHUYSEN. Again I am not relying on any particular bit of information for my conclusions that the Federal aid is advisable. Does that answer your question? I am not so bound down by these figures, whether they are these particular figures or another set of figures, that I have to swear to the truth of them before I can come to conclusions as to the advisability of Federal action.

Have I answered your question and will you answer mine?

Do you think the statement you just made about the number of States having 1,180,000 pupils in excess of normal capacity is true or false?

Mr. STAHL. What I am merely doing is analyzing the information in this report which has been given wide publicity all over the country.

Mr. FRELINGHUYSEN. In your analysis are you relying on those as true or false figures?

Mr. STAHL. I am accepting the figures as they were presented in what is an official report.

Mr. FRELINGHUYSEN. All right, then. For the moment you are assuming they are true.

Mr. STAHL. That is right.

Mr. FRELINGHUYSEN. You would have to assume they were true, I should think, to claim that the problem was not national in scope. Is that not so?

Mr. STAHL. I am presuming, or I am taking them for official figures released by the United States Office of Education.

Mr. FRELINGHUYSEN. You could not come to the conclusion that the problem was not national in scope unless you wanted to rely on the figures.

I am not saying any more than you are that we have to be blinded by these figures as being gospel truth. But you are relying on them in order to make a statement that the problem is not national in scope, are you not?

Mr. STAHL. That is probably true. I am merely analyzing.

Mr. FRELINGHUYSEN. I do not want to argue the point, then. That is all I wanted to ask. You did answer the question and that is fine.

Mr. STAHL. All right.

Mr. GWINN. I understand the gentleman to say that assuming the United States Office of Education circular 400 is correct, assuming it is correct, still it does not make out a case for Federal aid to education. Is that not all you are saying?

Mr. STAHL. That is exactly right.

Mr. GWINN. You have not adopted these as your figures, have you?

Mr. STAHL. No, sir.

Mr. GWINN. You simply take them as they are, assuming they are correct for the purposes of this argument, and the United States Office of Education does not make out a national case, as I understand it.

Mr. STAHL. That is right.

Mr. FRELINGHUYSEN. After much discussion we finally did reach agreement that that is what you are doing. If you were assuming they were incorrect you certainly would not be able to come to the conclusion that there was a problem that was not national in scope, because you do not have anything else to use to come to that conclusion. Is that not correct?

Mr. STAHL. No; I would not say that is correct.

Certainly, as I indicated to you, we have statements from a number of States with reliable research agencies which indicate that the problem is not national in scope.

Mr. FRELINGHUYSEN. In the first place, I do not agree with your conclusion that the problem is not national because a great deal of the excess enrollment is in the so-called richer States. My own State has a serious problem of schools. We are a so-called wealthy State. But it does not automatically follow that there is no room for a Federal program to help us clear up our own problems. And I think you are oversimplifying the case to claim that there is not any problem, because the problem exists in wealthy States. It exists in both wealthy and poor States. Like you, I am not particularly happy about calling my State wealthy any more than you are to see your State called poor. That in itself is not the question. It is just a mistake, it seems to me,

to have to rely on that kind of conclusion and, just say there is not any need for a Federal program, because it includes both the wealthy and poor States.

Mr. STAHL. Well, after all, you will agree with me, do you not, that any Federal aid program will cost New Jersey more than New Jersey will get back.

Mr. FRELINGHUYSEN. Again that means that the program has to be soundly conceived to justify the use of the taxpayers' money. It certainly is not a justification for an automatic opposition. If the program makes sense, we ought to do it. And I think it is just nonsense to say the problem boils down to eight States, the so-called poor States. The problem exists also in the so-called wealthy States. The fact that the wealthier States are going to lose ground with respect to the Federal grants-in-aid does not mean that the program in its totality is not going to benefit them. My State, Delaware, New York, West Virginia, all of them stand to benefit, in my opinion, if we can establish the right program. Don't say it is going to be wrong, no matter how you set it up.

Mr. STAHL. Shall I proceed?

Mr. BAILEY. You may proceed.

Mr. STAHL. As I pointed out, it does boil down to these eight States.

Mr. FRELINGHUYSEN. Why do you leave out the so-called wealthy States, the 24 with the highest per capita income, and disregard their problem?

Why does it boil down to the so-called poor States?

Mr. STAHL. For the very simple reason that if these wealthy States are not able to take care of their own school problems, then how can the Federal Government, which must rely on these same States for any revenue it receives, move in and do it?

Mr. FRELINGHUYSEN. It is not because there is an inability on the part of the States that the Federal Government is considering action in the field, it is because in spite of their ability, in spite of their capacity, there are still some untapped resources which we would like to bring out quicker than they will otherwise be made available. It is because the problem has persisted since depression days and grown increasingly serious in spite of what is being done. It is not because the capacity is not there in the wealthy States. It is to tap that capacity. But I do not see how you can ignore the fact that that is the basic function of the Federal program.

Mr. STAHL. Shall I proceed, Mr. Chairman?

Mr. BAILEY. Proceed.

Mr. STAHL. It is a well-known fact that you gentlemen in Congress are being subjected to terrific pressure to enact a Federal-aid-for-school-construction bill. That pressure, regrettably, is inspired by those citizens who have been sold on the insane idea that we can solve all our problems, we can cure all our ills merely by appropriating a little more money from the Federal Treasury that is already running dry.

Mr. FRELINGHUYSEN. Do you think that that is the reason that President Eisenhower suggested a program of this kind?

Mr. STAHL. I have no basis at all upon which to conclude why President Eisenhower has suggested this program.

Mr. FRELINGHUYSEN. If you have read any of his messages to Congress you would have a pretty good idea why he has done it.

Mr. STAHL. I read his messages to Congress.

Mr. FRELINGHUYSEN. You do not believe what he says. Is that it?

Mr. STAHL. I respectfully wish the President had read the report from the Intergovernmental Relations Commission.

Mr. FRELINGHUYSEN. Well, obviously the President has read such a report. But even so he feels that there is a pressing problem which is going to affect our adequacy as a nation if we do not get something done about building more classrooms.

Obviously, I do not think you are doing yourself any service by suggesting that the President has not taken a look at the Intergovernmental Relations report.

Mr. STAHL. Undoubtedly he has. But is also very likely too, is it not, that he has been given the same information from the United States Office of Education that you people here have been given?

Mr. FRELINGHUYSEN. You are certainly not improving on that information and offering us something better.

Mr. BAILEY. The Chair would like to take exception to your remark when I think you used the expression "insane," and remind you that the gentleman who occupies the Chair in this subcommittee has been an ardent supporter of Federal grants-in-aid for a number of years on the ground that I want to do something for the youth of this country. The pressures do not have anything to do with making up my mind. I am forced to the conclusion that your expression saying that it was an insane approach to solving the difficulties that confront the Nation does not apply to the chairman of this committee, and I think you are just going a little bit too far in saying that someone is bordering on insanity by suggesting that we do something for the youth of this country.

Mr. STAHL. Sir, that statement was not intended as any reflection on any member of this committee or the Congress.

Mr. BAILEY. Whether you intended it as such, there are people in support of Federal grants-in-aid for this country that are just as sane, I daresay, as you are, and probably more so, because I know that your attitude is not consistent. You are not coming in here and appearing before the Appropriations Committee protesting the \$4 billion grant in foreign aid, are you? You did not come in here and protest against the Hill-Burton bill. You did not come here and protest against \$4 billion to be taken out of the Federal Treasury to support your farm interests of this country?

Mr. STAHL. Our organization certainly has consistently supported a balanced budget. We have opposed, until the Federal budget was brought in balance, the starting of any new programs. And insofar as foreign aid is concerned, I think it is time to cut it all out except that which applies to the military.

Mr. BAILEY. Do you come and tell them so?

Mr. STAHL. We certainly let our Congressmen know that that is the way our organization feels about these matters.

Mr. BAILEY. Do you appear before the committees and protest it as you are doing today protesting grants-in-aid for the benefit of the youth of the country?

Mr. STAHL. Thus far I personally have not, but members of our organization have appeared on various appropriations bills, and in support of or in opposition to various programs.

Mr. BAILEY. What brings you here today? Did you come of your own volition or were you sent here by your organization, or were you requested to come?

Mr. STAHL. First of all, at the meeting of the Conference of State Taxpayers Association Executives held here in Washington February 8, 4, and 5, this matter of Federal aid was thoroughly discussed. It was unanimously decided that the conference should oppose it, and I was requested to appear in behalf of the conference.

Mr. BAILEY. Then why do you list yourself as a representative of the expenditures council when you are really speaking for the national taxpayers?

Mr. STAHL. I am also speaking for the Oklahoma Public Expenditures Council, which is on record in opposition to Federal aid.

Mr. BAILEY. I would like for the witness to at least be consistent.

You go ahead with your testimony. If any questions occur to me, I will certainly ask them.

Mr. GWINN. Mr. Stahl, the way my colleagues have sailed into you leads me to say to you that I for one am especially glad that you came to present the actual figures from Oklahoma as you see them and contrast those with the only source that I have heard mentioned here, namely the United States Office of Education Circular 490, as the source of information for this committee, and the fact that you think that is subject to question as to its accuracy of its conclusions.

Mr. BAILEY. Go ahead, Mr. Stahl.

Mr. STAHL. Frankly, we have a tragic educational situation in Oklahoma. But it is a situation that only the people of Oklahoma can correct. And in my judgment passage of any Federal aid for school construction will delay rather than hasten the correction.

Mr. FRELINOWSEN. Why do you have a tragic educational situation?

Mr. STAHL. Congressman, that is exactly what I am going to go into in the succeeding paragraphs of this statement.

Last July the Oklahoma Public Expenditures Council published a report on high-school organization in Oklahoma entitled "Cheating Our Children." That report has been in circulation since last July, I will say to you, and that information was obtained by checking the records at the State department of education. It was followed up by a questionnaire to school superintendents, and then, when the report was in its final form before it was released to the printers, we called in representatives of the Oklahoma Education Association, the State school board association, the parent-teachers' association, and went over all the information contained in this report with them, asking them to point out any inaccuracies, any error, and to this good day there has been no error or no challenge of this statement.

A copy of this report has been placed in the hands of all the members of this committee. And again I say that not one fact contained in the report has been disputed or challenged.

I am not going to take your time to read all of the information in the table at the bottom of page 5 on my statement, but actually it is the key in this report.

(The table referred to follows:)

*General information concerning Oklahoma high-school districts, 1954-55*

Districts with high-school average daily attendance of—	Number of high-school districts	High school average daily attendance	High-school pupil-teacher ratio	Per pupil high-school cost	Average number of high-school courses offered
1 to 25.....	42	733	6.44	\$708.07	18.00
26 to 50.....	213	7,944	10.89	488.34	20.18
51 to 75.....	149	9,348	12.73	205.23	22.20
76 to 100.....	70	6,182	15.36	340.76	24.54
101 to 200.....	174	31,560	18.10	264.41	26.19
201 to 500.....	70	30,053	20.90	212.10	34.41
501 to 1,000.....	13	18,484	22.40	197.04	44.12
1,001 to 10,000.....	31	33,602	24.15	216.15	60.31
Over 10,000.....	2	20,574	24.48	202.04	102.35
All districts.....	753	180,460	19.87	200.82	28.28

Mr. STAHL. You will note in column 1 of this table that Oklahoma in 1954-55 was maintaining 478 high schools with less than 100 students in average daily attendance, whereas the White House Conference reported—and I think educators themselves generally agree—that each high school should have a minimum of 300 pupils.

I will be very frank and honest with you, gentlemen. I realize that in some of our sparsely settled areas in Oklahoma, it is an impossibility to reach that figure of 300.

But, a glance at the last two columns reveals that those schools with the highest per pupil cost are offering the least in educational opportunities. This is further proof that money will not solve all our problems.

Actually, the people of Oklahoma are paying for prime educational steaks, and these small schools are serving an inferior grade of educational hamburger to the children attending them.

Mr. FRELINGHUYSEN. Mr. Chairman, could I interrupt again?

Mr. BAILEY. Yes.

Mr. FRELINGHUYSEN. I am puzzled at what this testimony is. It seems to me when you were here before our committee 2 years ago you had a quarrel with some other Oklahomans about the way in which Oklahoma was handling its school affairs.

What you seem to be saying now is that you do not like the way the State is handling its own affairs; that they should consolidate their school districts and not spend a lot of money on inefficient school districts.

If the table means anything, it seems to me to mean that. What relevance has that for us at the Federal level except to underline the fact that title IV of the administration bill might be of assistance to and encourage the development and initiation of State programs designed to increase public-school construction and to promote efficiency in such construction?

You would stand to benefit, if you have got a quarrel in your State, from title IV of the Federal program, such as the President has suggested, and I do not see any reason why we should have to involve ourselves in your local quarrels, unless it has some relevance in connection with us at the Federal level.

Mr. STAHL. Congressman, I think it does. I think that my testimony will show that relevance.

Mr. FRELINGHUYSEN. What relevance? Just as an example, what relevance does this kind of talk have? The waste of teachers and waste of money because you have too many school districts and too small school districts; what relevance does that have, except to accentuate that there may be a Federal responsibility to help the State to help itself, as it would under title IV of the program?

Mr. GWINN. May I help with that question?

Mr. FRELINGHUYSEN. If we could get an answer from the witness I would be glad to yield to you, but I think at least the witness might attempt to answer my question.

Mr. STAHL. Congressman, if I did not think this information was relevant to the point, I certainly would not have included it in my statement.

Mr. FRELINGHUYSEN. I am wondering what relevance it has.

Mr. STAHL. As I point out, before I get through with my testimony I think I will show it.

Mr. FRELINGHUYSEN. At this point I would like you to show it.

What relevance does it have?

Mr. STAHL. All right. I think this takes care of exactly what you are talking about:

You have undoubtedly seen the map which we have included with this testimony, of a five-school area. One of those schools, with 20 pupils in high school, has a request in the school facilities survey, as reported by the State department of education, for \$108,000.

Mr. FRELINGHUYSEN. I would like to know why we should be obliged to listen to whether or not you should have a 20-pupil school district. I do not see any relevance to it.

Mr. STAHL. If you make Federal aid available for school construction, and we go down there and build a new school plant——

Mr. FRELINGHUYSEN. We are not going to build them for you, or perpetuate the inefficiency.

Mr. GWINN. Will the gentleman please let the man answer? You have been piling on him unmercifully.

Mr. FRELINGHUYSEN. He won't answer.

Mr. GWINN. He is answering you right now.

Mr. BAILEY. The gentleman from New Jersey has the floor.

Mr. FRELINGHUYSEN. Now, if I could get an answer. Mr. Stahl, to my question about the relevance?

Mr. STAHL. All right.

First of all, these small schools have been kept in operation for many years through our method of allocating State aid. Now, pouring more money into our educational system through the same political machinery which has not only permitted, but has fostered this tragic condition will not improve one iota the educational opportunities for 38,000 children attending these weak schools.

Mr. FRELINGHUYSEN. You are in effect saying that Oklahoma has a rotten State school system, and the Federal Government is going to help perpetuate it.

Mr. STAHL. That is right.

Mr. FRELINGHUYSEN. If you would only say that and then dispose of it as a question, all right. I myself do not want to hear about the inadequacy of a local school district in Oklahoma. I would like to know what relevance any of that might have to a Federal program of



possible Federal assistance. If you are against it, say you are against it. If you are for it with qualifications, say that.

Mr. STAHL. Congressman, it does have one other relevance, I think. All of these small schools, both in the Federal school facilities survey and in your recent report, have sent in their needs and they have been added to the total.

Now that probably, or undoubtedly, has been done in other States, which tends to increase beyond any reason the magnitude of this problem.

Mr. FRELINGHUYSEN. Again it has not resulted in any increase, so far as you have told us yet, in the problem as defined in Oklahoma.

As I understand it, as a result of the answers to the questionnaires recently sent out to the offices of education, there is every indication that Oklahoma is solving its own classroom shortage. I do not know whether you are going to tell us that they are not solving it or they could solve it more quickly, or there is a problem that is different in character than is indicated in the survey. But so far as I know, you are not quarreling with the Federal survey, in spite of sniping at it. You are not showing that you have got anything better.

Mr. GWINN. Mr. Chairman, I do not hear the witness the way my colleague from New Jersey does. Either he or I have such prejudiced hearing apparatuses that we do not hear alike at all.

As I understand it the gentleman is trying to say that Oklahoma has failed—and I take it you mean it is a marked failure—to consolidate your school systems.

Mr. STAHL. That is right.

Mr. GWINN. And therefore you have got possibly four-hundred-some-odd too small districts in the State of Oklahoma. They are in bad shape and they need a lot of money, do they not, to maintain that kind of a school district?

Mr. STAHL. Not all of them.

Mr. GWINN. Well, many of them. They could qualify as needful and unable to finance themselves under some Federal aid programs, possibly; is that right?

Mr. STAHL. That is right.

Mr. GWINN. Then the next point you make is that if the Federal aid is provided and it goes through the Oklahoma State agency which already is supporting them, it simply extends a bad situation by financing them. Is that what you mean to say?

Mr. STAHL. That is exactly right. It perpetuates it.

Mr. GWINN. Then one other point I understand you to make is that Oklahoma can take care of itself and finance itself adequately if it will only consolidate these very poor, or poorly attended high school districts.

Mr. STAHL. That is correct.

For example, as pointed out in my report and in my statement, if we could reorganize our high-school system so as to come up to the recommended pupil-teacher ratio recommended by the Oklahoma Education Association, we would eliminate some 1,700 teaching positions, taking complete care of any teacher shortage, and we would be able, within existing revenues, to increase the salaries of those remaining on the high school faculties \$1,000 a year.

Mr. GWINN. How about your schoolroom situation? How would that affect the schoolroom situation?

Mr. STAHL, Congressman, if we were ever to get started on an organized program our building needs might conceivably be double what they are now. I mean it would be necessary to take this five-school area that I am pointing out here, and it might be necessary to go in there and build one entirely new school plant.

Mr. GWINN. And scrap two or three others?

Mr. STAHL. That is right. And we are not recommending reorganization as a method of saving money. We have repeatedly called attention to the fact that it might cost more money, but that we would be getting some education for our educational dollars.

Mr. BAILEY. Let the Chair interpose at this point.

The administration bill provides, after the first year's operation of the program, that the Federal appropriations will be matched by State appropriations.

Would that not be an opportune time for the State of Oklahoma to say "We have Federal grants here. We have matched them with an equal amount. Let's consolidate these more or less useless high schools and concentrate them in certain points where we can operate them much more efficiently."?

Mr. STAHL, Congressman, my answer to that question is simply this:

If you want that done, it should be written in the bill that none of this Federal aid money will go toward school construction in districts below certain standards.

Mr. BAILEY. What is the purpose of the State school officials of the State of Oklahoma? Do you mean that they would prefer to continue this system of isolated high schools?

If we are going to say to the State of Oklahoma: "You use that money just as you please" how are you going to eliminate these schools and get more efficiency out there?

Mr. STAHL. Let me go back into the record and answer your question:

Starting way back in 1902, before statehood, we have had study after study of school organization in Oklahoma, right up to the present time.

Practically all of those studies were either sponsored or conducted by educators themselves, and every single one of them points to the weakness and the ineffectiveness of our present school organization. Yet nothing has been done to eliminate it or to improve that situation.

Mr. FRELINOWSEN. Mr. Stahl, have you read the bill, either the Kelley bill or the administration bill?

Mr. STAHL. I have read both of them.

Mr. FRELINOWSEN. Have you read what would be required in a State plan from a State in order to qualify for these grants-in-aid?

I would just like to read, for the sake of the record—and I assume that you have read it—section 104 (c) which says that:

The Commissioner shall approve a State plan \* \* \* if such plan—  
(c) describes the steps taken toward making full and efficient use of school facilities, and State and local financial resources, including the steps taken toward—

(1) providing qualified personnel to counsel and guide local school agencies in formulating sound long-range school construction programs for meeting their school facility needs;

(2) achieving economy in the planning, construction and financing of school facilities;

(3) developing a long-range plan for attaining a more efficient organization of school districts in the State—

my question is: If that language is in there, and if title IV is in there, which again is aimed at modernizing the State programs of construction and efficiency of construction, do you not think that it might be something which you could be for instead of against in your crusade against what you describe as an inefficient State organization of schools? Might this not promote efficiency? Might it not do just the very thing that you think the dead hand of Federal programs would not do?

If the State program itself must spell out the fact that the State itself is moving toward an efficient plan in their organization, and it has got efficiency in this planning construction and financing of its facilities, would it not be the greatest single step forward you could take in eliminating those backward approaches to these problems?

Mr. STAHL. Well, I would want to see the plan that they had developed before I would say "Yes." I cannot answer that question.

Mr. FRELINGHUYSEN. Of course you would. But, as I say, if the Federal program requires that a State plan, in order to be approved, contain certain things aimed at economy and efficiency of organization, might it not be of help to you, and not a detriment, and might you not be for instead of against it?

Mr. STAHL. I would still insist that that should be spelled out in your Federal legislation.

Mr. FRELINGHUYSEN. It is. I just read it to you in the Federal legislation.

Mr. STAHL. There are no standards set up in it, as I understand it. It merely requires the State superintendent of schools to submit a plan to the United States Office of Education.

Mr. FRELINGHUYSEN. Which indicates that they are achieving economy in the planning, construction, and financing of the schools, that they have developed a long-range plan for attaining a more efficient organization of school districts, and all those things would put the State clearly in a position of having to show that they are making moves in the right direction in order to have their State plan qualify for Federal assistance.

Mr. GWINN. That is not in your bill.

Mr. FRELINGHUYSEN. Of course it is, on pages 8 and 9 of the bill.

Mr. GWINN. What you just said is certainly not in there.

Mr. FRELINGHUYSEN. It is in the copy I am looking at.

Mr. GWINN. What section was it in?

Mr. FRELINGHUYSEN. Section 104.

Mr. GWINN. Where?

Mr. FRELINGHUYSEN. Right here. Title IV is aimed at trying to set up a long-range State program and encourage it by direct grants-in-aid that develop a little perspective, again of inestimable value to a State like yours with the situation you have described.

You should be arguing for the program; not against it.

Mr. GWINN. He has just told us that he does not believe in the Federal Government managing it, even under your generous interpretation of what it would be like.

Mr. FRELINGHUYSEN. I am not interpreting anything. I am reading out the language of the bill and asking him if it it would not be helpful in cleaning up some of the mess which apparently exists in the educational program in Oklahoma.

Mr. GWINN. Do you believe it would clean up the mess?

Mr. STAHL. I do not.

Mr. GWINN. You do not.

Mr. FRELINGHUYSEN. If you say you cannot solve it yourself because the people in the State are too stubborn to see the problem in its entirety, how could you lose any ground by trying to get the Federal Government, through a State plan, to help the State see the light?

Mr. STAHL. Congressman, I still think it is strictly a State problem.

Mr. FRELINGHUYSEN. Of course it is. We are not transferring it out of the State.

Mr. STAHL. We are working toward the solution of it.

Mr. FRELINGHUYSEN. We are not moving it out of the State. It would be very much a State responsibility.

Again, it is a misunderstanding of the Federal program to think that any Member of the Congress or any Washington bureaucrats are going to sit down and solve your problems for you, but we could help spell out the advisability of setting up a State plan which would stress economy and efficiency of organization, and by so doing you might straighten out whatever muddled thinking there may be at the State or local level.

Mr. GWINN. Or add to the muddle.

Mr. FRELINGHUYSEN. It is not likely to add to the muddle as it is described by the witness.

Mr. BAILEY. Go ahead.

Mr. FRELINGHUYSEN. Were you aware that there was such a provision in the law?

Mr. STAHL. I beg your pardon?

Mr. FRELINGHUYSEN. Were you aware that there was such a provision in the law for the State plan?

Mr. STAHL. Yes; I was. But I still say that it does not set up any minimum standards as a guide to your United States Office of Education or your State department of education.

Mr. FRELINGHUYSEN. I do not know what you could have, except to spell it out as that has been spelled out. You certainly have got to have a pretty good education plan that you would like to see, in order to have the State plan qualify.

If you could improve the language, I think that would be helpful to the committee.

The language is subject to change. Perhaps you could suggest just what might be included.

Mr. BAILEY. The Chair would like to make this observation right at this point:

You questioned the wording of the legislation that we are discussing on the grounds of Federal control. You raised the question of Federal control in the beginning, saying you are opposed to it.

But when you say there that the legislation that we propose here is not efficient in that it does not set up any minimum standards, that

is just what we want to try to avoid, this question of Federal control, to tell the States how they should run their schools. We want to let them bring in their own plans.

So you are not consistent in your position in saying you are against Federal control and then at the same time want us to write Federal controls into the legislation.

Mr. STAHL. Congressman, I think I am perfectly consistent.

I am opposed to Federal aid to education on the basis that it will involve Federal control of education. And I do not think you can have Federal aid—I do not think you should have Federal aid to education or anything else without control of it.

Certainly, you gentlemen in Congress—

Mr. BAILEY. Then you are opposed to Federal aid, period?

Mr. STAHL. That is right.

Mr. BAILEY. And it does not involve the question of Federal control. You are just opposed to the aid?

Mr. STAHL. That is right.

Mr. BAILEY. That is, from the standpoint of the taxpayer.

Mr. STAHL. That is from the standpoint of—

Mr. BAILEY. Your reasons, then, are economic. You do not want to spend the taxpayers' money; is that it?

Mr. STAHL. Congressman, I presume you are basing what you may be referring to now on a wire you got this morning, which I am certainly not going to leave this committee room without challenging. It was a wire from F. E. Willingham, who is on the Oklahoma education staff, and he said "He"—referring to me—"opposes measures at the State and local level designed to aid schools," and he seriously doubts if "he favors public education."

In order to clear that up—first of all, what I tell you means nothing.

Actions certainly speak louder than words. I want to quote to you from an editorial which appeared in the October 20, Daily Oklahoman, based on my appearance before the legislative council committee on revenue taxation, in which I recommended some changes in our homestead exemption law, and also suggested that we improve our method of assessing property.

I read to you just three paragraphs if I may, from this editorial:

As testified by Steve Stahl, executive vice president of the Oklahoma Public Expenditures Council, before the legislative council committee, the law, under the laxity which is often found in the administration of ad valorem taxes, operates to remove large blocks of property from the tax rolls.

Based on a survey we had made in contact or in cooperation with county assessors, we found that in 41 counties—I will read the paragraph:

Out of 204,200 homestead exemptions granted in 41 counties, 77,282 or 38 percent of the total were assessed at less than \$1,000, so went tax free. A further breakdown showed that in the 41 counties, including 281 cities and towns, not a single residence property was assessed at more than \$1,000.

The next paragraph reads—and I will leave this full editorial for you:

One disappointing feature of these hearings is that the educators were not present, yet the public schools would be the chief beneficiaries if the exemptions were removed or considerably reduced.

Mr. GWINN. This had to do with an effort to increase the source of revenue for schools?

Mr. STAHL. At the local level.

Mr. FRELINGHUYSEN. What relevance does this have to Mr. Willingham's telegram?

Mr. STAHL. It was read in the record that I consistently opposed measures at the State and local level designed to aid schools.

Mr. GWINN. I understand you to say that the professional educator is for this measure—that is what you intend to say—he is for Federal aid, but they are not in favor of removing the homestead exemptions so as to improve local sources of revenue for the schools?

Mr. STAHL. I do not think you could say that all of them were.

Mr. GWINN. They were not there.

Mr. STAHL. That is right.

Mr. GWINN. They were not attending these hearings for removing exemptions. Is that the point?

Mr. STAHL. That is right.

Mr. FRELINGHUYSEN. Would you like a Federal program that would help you in your fight to remove these exemptions?

Mr. STAHL. Congressman, I happen to believe in States rights, and I want to see States rights maintained.

Mr. FRELINGHUYSEN. We all like States rights, but that really does not help us in a problem of this nature. It does not prohibit us from taking any action at the Federal level, and obviously, it is just a question of what kind of action, whether it is reasonable action.

Mr. GWINN. I take it, Mr. Chairman, that this witness has indicated over and over again that as for him and his children, however bad the State situation is, he would take his chances with the State instead of with the Federal Government.

Mr. FRELINGHUYSEN. I do not know why you are arguing down here about the State's problems if you do not want us to help you. I would be delighted to see you come up and say, "You could help us" which I think we concretely could do, if the situation is as you describe it.

Mr. STAHL. May I point out one further thing: All of the members of the committee have a copy of my testimony before the legislative council committee on education, in which we proposed that the State appropriate the money to build at least one, possibly more, pilot high schools in areas such as we suggested in this program.

Does that indicate to you gentlemen that we are always opposing any measure to raise revenue for schools at State and local levels?

Mr. FRELINGHUYSEN. As I understand it from your testimony, no legislation in connection with school construction assistance has been introduced in the State legislature.

Mr. STAHL. That is right.

Mr. FRELINGHUYSEN. Have you no friends, or why isn't anything being done?

Mr. STAHL. Apparently all of these groups have considered the fact that there is no problem that is not now being solved.

Mr. FRELINGHUYSEN. But you do not agree with them?

Mr. STAHL. I do agree with them; yes, sir.

Mr. FRELINGHUYSEN. I thought you said they were not being solved.

Mr. STAHL. I am saying the school-building problem is being solved.

Mr. FRELINGHUYSEN. Nobody is arguing with you on that.

The Federal survey tends to show that Oklahoma has no school-building problem.

Mr. STAHL. Do you want me to proceed, Mr. Chairman?

Mr. BAILEY. Yes, go ahead.

Mr. STAHL. We have covered most of the testimony, most of my statement on pages 6, 7, and 8.

I would like to start with the last paragraph on page 8, where it gets into the matter of control.

Certainly Congress has the right to levy taxes and appropriate the proceeds therefrom to governmental services it deems essential.

But Congress also has the responsibility to make certain that such money is properly spent for the purposes intended, and that responsibility cannot be exercised by issuing blank checks, and any attempt to do so opens the door to waste, inefficiency, and corruption.

Mr. FRELINCHUYSEN. Are you suggesting that any of these proposals involves an issue of blank checks?

Mr. STAHL. They come very close to it.

Mr. FRELINCHUYSEN. One minute you are arguing that Federal control will follow because we are putting some restrictions on and the next minute you are saying we are giving them a blank check. Apparently there are no controls.

Mr. STAHL. Congressman, I am not doing any such thing. I am saying that I am opposed to Federal aid to education because I do not believe you can have Federal aid without Federal control, and I am opposed to Federal control of education.

Mr. FRELINCHUYSEN. Now, we are talking about blank checks. Where do the blank checks get into this?

Mr. STAHL. I am saying you cannot exercise the responsibility that is yours by issuing blank checks.

Mr. FRELINCHUYSEN. No one will argue with that. It is so obvious it really does not need to be said, unless you think there are some proposals presently being considered by the committee that would constitute blank checks.

I take it you do not assume that any of these proposals constitute blank checks, so it is a worry we need not concern ourselves with. Is that so?

Mr. STAHL. Well, I think they do, yes.

Mr. FRELINCHUYSEN. They constitute blank checks?

Mr. STAHL. You are constantly talking about Federal aid without Federal control, and does that not involve the writing of blank checks?

Mr. FRELINCHUYSEN. Of course not.

Mr. STAHL. Either by the United States Office of Education and through them to the States?

Mr. FRELINCHUYSEN. It is hard to believe that you have read any of these bills if you think that. I do not see where you see any justification for it, and I would welcome your telling us where you think there is any blank check involved.

Mr. STAHL. Perhaps there isn't.

Mr. BAILEY. Go ahead.

Mr. STAHL. Two years ago I appeared before the House Committee on Education and labor and branded the school facilities survey as one of the great frauds of the fifties, and expressed the hope that Congress would not be misled by "doctored" information, or pressured into hasty action on any proposal committing the Federal Government to a program which will eventually cost billions annually, and which can only lead to Federal domination in the education of our children.

After studying the fall 1956 statistical tables presented to this committee by the United States Office of Education, I repeat that hope.

If my research director had placed such a report on my desk as a finished product he would be looking for a new job the next day, and I would say also that if the Oklahoma Public Expenditures Council published such a report we would probably be out of business within 6 months.

Footnote 4 in the report reads as follows:

Includes estimate for nonreporting States.

It is important to know how much of the information is based on actual reports and how much on estimates, but there is no way to tell from the report itself.

It would also be interesting to know how many of the State reports on actual facts and how many were merely a presentation of estimates.

The report from Oklahoma, for example, was based entirely on projections and estimates.

Thus far we have been unable to find anyone in our State department of education willing to accept responsibility for the figure in column 13 of the table, which shows that we have--

10,000 pupils in excess of normal capacity of the accessible publicly owned school plants in use.

As proof that the Oklahoma report is based on estimates, I have with me a letter from our State superintendent under date of October 26, 1956, replying to a letter from the council, which, in part, reads as follows:

Your second question was, "How many new classrooms have been constructed in Oklahoma since January 1, 1951, and how many are now under contract?" I am sorry I cannot give you this information, since we do not keep a current inventory.

On November 15, 1956, the State Department of Education sent out a questionnaire to county and district superintendents, requesting information and data on classroom construction. This survey has not yet been completed.

It is apparent that the United States Office of Education is relying entirely on information supplied by State school superintendents, whose association is already on record before this committee in favor of Federal aid for school construction. And I would say, for that reason alone, either the Office of Education, or this committee, should check into the accuracy of these State reports, some of which must read like letters to Santa Claus.

Now, we do agree with the proponents of Federal aid that the Federal Government is preempting too much of the taxpaying ability of the people, but we cannot correct that condition by increasing Federal spending, Federal taxes, and Federal debts. The proper solution is to cut Federal spending and reduce Federal taxes.

This Congress, which I understand is hearing from the people back home concerning the largest peacetime budget in history, can and should cut the 1958 Federal spending program substantially. And the place to start is to refrain from committing the Federal Government to any new spending programs, including Federal aid for school construction.

That is the conclusion of my statement, Mr. Chairman.



Mr. BAILEY. You understand, Mr. Stahl, that the present budget is supposed to have a surplus of approximately \$2 billion. So even if this program, the administration program for aid to schools were approved, it would not result in any deficit?

Mr. STAHL. I understand that, but I pointed out to you—

Mr. BAILEY. In other words, it is trying to get back to you people of Oklahoma, who pay Federal taxes, some of the tax moneys that the Federal Government has been collecting and spending here in Washington, or sending abroad in the form of foreign aid.

Mr. STAHL. I again come back to my statement, Congressman, that the best way to do that is to reduce Federal spending and reduce taxation and leave the money there.

Mr. BAILEY. Let's just be practical.

After 12 years' service in Congress, I have begun learning some practical points here.

Do you think that if we left our Federal grants-in-aid and did not pass any legislation, that the three-hundred-million-some-odd dollars which is involved in the present budget, which is a part of the \$72,800 million budget, would result in a reduction of taxes? Or wouldn't it go for some other program?

Mr. STAHL. No; that reduction alone would not bring about a situation where Congress would be justified in cutting taxes.

Mr. BAILEY. Then it will not increase Federal taxes.

Mr. STAHL. It possibly will not, by itself. But it is just one of many new programs that are being considered by the Congress.

Mr. BAILEY. Did you make an appearance before the Public Works Committee when they were discussing the Federal highway program?

Mr. STAHL. No, sir; I did not.

Mr. BAILEY. Were you for that program?

Mr. STAHL. Let me say this—frankly, and I am talking personally now—I am not for it.

I would consider this: The Federal Government may have the responsibility to build a Federal highway system and to maintain that highway system. I think beyond that the States and local communities should finance their own highway programs.

Mr. BAILEY. You are taking a materialistic view that it would increase business and aid in better communications and transportation and so forth. And when we come along with a proposition that would take care of the welfare of future citizens you draw the line on that. But you go along and don't protest against the Federal highway program.

Mr. STAHL. I say that I did not appear before that committee, that is true.

Mr. BAILEY. Do you think this Nation can continue to maintain its national integrity and meet the demands of an atomic age that we are going into if we neglect to educate these young men here so they can take technical training beyond the high school to operate, we will say, a technical war machine? Do you think we can afford to spend billions of dollars to build a defense and then have a bunch of morons to operate that technical equipment?

Mr. STAHL. Why, of course not.

Mr. BAILEY. Then it is about time that we are doing something about bringing up the quality of our elementary and secondary schools.

Still you say that there is no Federal responsibility.

I think the fate of the Nation is involved in our doing something and doing it promptly, on behalf of this situation that has developed in our secondary and elementary schools.

A good big share of those that come out of high schools cannot enter college because of the inadequate training they got in elementary and secondary schools.

You will grant that, won't you?

Mr. STAHL. I agree with you. And that was included, certainly, in my statement to this committee.

But again it is the fault of the organization within our own State.

Mr. BAILEY. Let's take the situation at Los Angeles, Calif.:

Six years ago when I was there with the Committee on Impact of School Legislation, a tremendous, thousands upon thousands of boys and girls were attending school in the city of Los Angeles on half-day sessions. In fact, I went into one classroom of freshmen in high school, where every member of that class had never gone to school more than a half day from the first day through the freshman year of high school.

Do you think they are being adequately trained under those circumstances?

Mr. STAHL. It is my understanding that California is rapidly taking care of the situation that it has.

Mr. BAILEY. They are doing much better than they were 6 years ago. But there are still situations there that are bad, and it is considered one of the wealthier States.

They are making progress in meeting the situation. But I am just wondering whether the fate of the Nation is not involved in our neglect of this basic training?

I am sincere in my position. I do not care who opposes the Federal grants-in-aid for education or who favors it. I am thinking of what it means to the young men and young women who will be our citizens of tomorrow, who will have to assume greater problems 25 years from now than the present Members of Congress are facing.

I would like to see them better qualified to meet these problems, or go along and face them.

You can understand from that why I took offense when you were questioning my sanity, in favoring the Government doing something about this problem.

Mr. STAHL. I was not questioning anybody's sanity. I merely said it was an insane idea that too many people had bought, that we could cure all of our problems by appropriating a little more money from the Federal Treasury.

Mr. BAILEY. Will you answer one or two direct questions?

Mr. STAHL. I shall certainly try to, Congressman.

Mr. BAILEY. Would you prefer to see it go for construction of school classrooms, rather than to be shoveled overseas, a billion dollars at a time for doing the same thing abroad that we are proposing to do here in this country? Do you not think a lot of that foreign aid goes to construction of school buildings?

I can cite you 90 contracts that the Federal Government has now on school projects abroad. They are building a technical university and 14 technical high schools in Ethiopia with the American taxpayers' money.

Yet you come along and deny the same privilege and the same opportunity to the boys and girls in this country.

That is what I meant when I said you were not exactly consistent.

Mr. STAHL. I do not approve of the vast expenditures we have made through foreign aid by any manner of means.

Mr. BAILEY. But you do agree that some of that is going for educational purposes, do you not?

Mr. STAHL. That is right. Some of it is going to build elevators in nations where they do not raise wheat, too, I am told, and to build gins where they are not raising any cotton.

I am not in favor of the Federal aid program. I think we have thrown billions of dollars of money away.

Mr. BAILEY. Does your organization always protest this?

Mr. STAHL. We do in a general way, yes.

I will be very happy to send you a letter, Congressman, outlining to you just the things we have opposed over the past 10 years.

Mr. BAILEY. You have a question of approximately \$4 billion involved in this big budget that you want cut down, and here we have a little less than a billion dollars, maybe less than a half a billion dollars involved in this Federal aid program under the administration bill. Yet you come all the way from Oklahoma to oppose Federal grants-in-aid, but you do not have any plans to come back and appear before the Appropriations Committee and ask them to cut that foreign aid appropriation half in two.

Mr. STAHL. There is more than one way of registering a protest against legislation before the Congress, Congressman.

I would say to you very definitely I am not qualified to answer technical questions with regard to foreign aid, but nevertheless we are opposing the general idea of foreign aid, and we are doing it through contacts with our Members of Congress.

Mr. BAILEY. Do you hope to materially reduce the present \$72,800 million budget by blocking this Federal grant for educational purposes?

Mr. STAHL. Not that alone, no.

Mr. BAILEY. It appears to me you ought to be working on the item that really means something, where you could effect a saving.

Mr. STAHL. Well, for your information, we are already on record in support of the resolution introduced last week, I believe it was, by Congressman Ray.

Mr. BAILEY. What was the purport of that resolution?

Mr. STAHL. To hold Federal spending to \$65 billion for fiscal 1958, and any additional money accruing to the Federal Government was to be used one-half for debt reduction and one-half for tax reduction.

Mr. BAILEY. That idea of debt reduction is all right. But you will agree with me it is rather a meat-ax approach without much consideration, which, I take it, would be across the board, and maybe some programs that can be justified would suffer.

That is just like saying we are going to cut \$5 billion out of our budget and make it apply generally across every item in the budget.

Mr. STAHL. I think all that resolution does, Congressman, is set a goal, and then your Appropriations Committees can strive to reach that goal in their appropriations.

And certainly Senator Byrd, I understand, is coming out with a proposal to trim the budget which may be that much or possibly more.

I am sure that will not be a meat-ax approach.

And certainly another thing that I think Congress could well do, might be to give implementation to some of the recommendations that have been made by the Hoover committee.

Mr. BAKER. Well, some of those I can approve and other of them I heartily disapprove. One or two of them, I think the ones that have been approved by the Congress, I have supported.

But I can think of one I am bitterly opposed to, and that is the proposal affecting treatment of veterans.

Do you have any further questions?

Mr. FRELINGHUYSEN. Mr. Stahl, are we going to discuss the so-called wealthy States' problems, the New Jersey taxpayers' statement or not?

I would be very interested, coming from New Jersey; I don't know whether you are in a position to do it.

Mr. STAHL. I am not in a position to say anything other than the fact that I do think it is an important statement. I am sure you have probably read it, and also the material that Carlton had with it.

Mr. FRELINGHUYSEN. I wonder, briefly, why you think it is important.

I think it is interesting to see how much we are doing, and how comparatively little assistance we would get back, but I do not think that is an argument either here or there for Federal aid, as such.

Mr. STAHL. I think the point he makes in his statement to the effect that most of these Federal aid programs are centralization programs rather than equalization programs is extremely important.

Mr. FRELINGHUYSEN. What does that mean? I noticed his reference to centralization. Of course he seems to refer to aid as an aid coming without any strings, so to speak.

All these programs come back, in part, at least, to the States that raise the money, but it seems to me that is a point in favor of the program; and not a point against it. So I do not know why there is any need to worry, that there is some of the money returned to the State that provides it, that being used as an argument against the program. Why is that of significance?

Mr. STAHL. It is merely what Carlton refers to as, I think, "round-trip dollars." The money comes down here and is sent back to the State, less brokerage fees. I think he points it out very concisely in this statement.

Again, I am not in a position to answer any questions with regard to this statement.

Mr. FRELINGHUYSEN. How about the round-trip dollar as an example?

If the dollar is used to encourage a State doing something which it has not done at all, or which it has not done much of, by requiring of a State to match funds, it would be serving a useful purpose, even though the dollar came from the State in the first place, would it not?

Mr. STAHL. Conceivably, yes.

Mr. FRELINGHUYSEN. That is one of the purposes of the Federal program, is it not, to encourage States and communities to tap that untapped capacity?

You would not have any objection, and I do not suppose Mr. Tillinghast would necessarily have any objection, because it is releasing

funds which are available in the State, even though the Federal funds come in the first place from that State.

Mr. STAHL. Mr. Tillinghast would certainly have to answer that question for you.

Mr. FRELINGHUYSEN. I take it you are not in any position to discuss the statement?

Mr. STAHL. That is right.

Mr. FRELINGHUYSEN. I have no other questions, Mr. Chairman.

Mr. BAILEY. That appears to be all.

The Chair desires to thank you for your appearance. Even though we may not agree with you, you are entitled to your opinions as a free American.

Some of the points you have raised here will evidently be given consideration when we get ready to draft the type of legislation we will report.

Again let me say we thank you for your appearance, and I extend the thanks of the committee for your appearance.

(Further prepared material submitted by Mr. Stahl follows:)

**STATEMENT IN BEHALF OF THE MASSACHUSETTS FEDERATION OF TAXPAYERS ASSOCIATIONS, INC. BY NORMAN MACDONALD, EXECUTIVE DIRECTOR**

Our analysis of the facts clearly shows that with the possible exception of a few problem communities Massachusetts has so far been wholly successful in meeting the needs for additional school space and that the present rate of school construction, if maintained, would by 1960 more than meet the needs described in the Massachusetts School Facilities Survey released in September 1955.

That report proposed an expenditure of \$557 millions to provide school housing through the school year 1959-60 for additional anticipated enrollments, to replace obsolete buildings, and to renovate many older but usable structures. The bulk of the proposed expenditure (\$312 million) was intended for the relief of overcrowding (53,000) pupils and to accommodate enrollment increases (120,000 pupils). An additional \$181 million was proposed for the replacement of obsolete structures (101,000 pupils).

At the present rate of schoolhouse construction—\$60 to \$70 million annually—it is a statistical fact that all of our indicated needs for additional school space will have been met by 1959-60. In the past 2½ years, on the basis of estimates supplied by local school superintendents, the number of pupils housed in excess of normal classroom capacity has been reduced by some 40 percent, from 53,000 to 33,000 pupils.

In addition, a substantial start has been made in the replacement of obsolete school buildings. The school facilities survey, as of June 1954, found 572 school buildings, containing about 4,600 classrooms, which should be abandoned "as soon as possible." According to current estimates, some 92 schools containing 600 classrooms have been formally abandoned (demolished, burned or otherwise disposed of) since the survey data. Additional rooms are empty, pending redispotion. Thus it appears that the superintendents' estimate of 1,000 rooms needed this year, as reported by our Department of Education to the Office of Education, for replacement of obsolete facilities represents between one-quarter and one-third of the entire remaining replacement program.

We can see no justification whatsoever for assuming, as these estimates do, that the entire replacement program—an accumulated backlog of a century or more—must be completed by 1960. It seems to us only less unreasonable to propose as the 1954 survey did that as much as three-quarters of the total replacement program should be undertaken during the period of greatest school building effort to meet additional enrollments. Rather we feel that our older communities, faced with heavy replacement programs but little need for additional space, might be expected to move ahead with the elimination of obsolete structures while other communities, faced with critical school expansion problems, should postpone for the time being their plans for replacing obsolete buildings.

Our school superintendents have estimated that some 810 instructional rooms were abandoned in the school year 1955-56. At this rate it would require 12 or

18 years to complete the abandonment of obsolete structures. In our judgment this is not an unreasonable length of time, having in mind that some of the older buildings are still structurally sound and safe and only marginally obsolete for instructional purposes.

Finally we call attention to some confusion, in the tabulations of the Office of Education, between the stated needs for additional space and the needs for replacement of old buildings. In some of our largest cities, including Boston, the problem is one of meeting additional space requirements in outlying neighborhoods with new schools which are, in effect, replacing obsolete buildings in old and declining neighborhoods which will never be replaced in the locations. In other words, the problem is to meet the requirements of internal shifts of population. It appears that the stated needs for additional space to meet overcrowding, in such cities, actually duplicate the stated needs for replacement construction. Hence we suspect a substantial degree of duplication in all statements of Massachusetts school-building requirements which have come to our attention.

In summary, it is our conviction there is no need at this time for any basic reappraisal of our present school construction program, or of our means for financing it.

UTAH TAXPAYERS ASSOCIATION,  
Salt Lake City, Utah, February 18, 1937.

Hon. CLEVELAND M. BAILEY,

Chairman, Subcommittee on Education of Committee on Education and Labor, House Office Building, Washington, D. C.

DEAR CHAIRMAN: It has come to our attention that hearings are to be held on various bills to provide Federal aid for school buildings. For your information, I respectfully submit the following data so that you may be advised of the situation here in Utah.

Various estimates have been submitted as to the building needs of the State. We recognize three factors which enter into the picture:

1. Needs due to increases or shifts in enrollments;
2. Betterments to more fully meet educational needs; and
3. Replacements of obsolete, worn-out, or otherwise unsatisfactory buildings.

This is what has been taking place in this State:

During the past 6 years—for 1930-31 to 1935-36 inclusive—average daily attendance increased from 147,319 to 181,260, or 33,450. This is an annual average of 5,575. During the year 1935-36, however, the increase totaled 6,278.

Now as to expenditures for buildings, sites, remodeling, and equipment, we note from the biennial reports of the State superintendent of public instruction the following expenditures have been made:

1930-31.....	\$3, 619, 879	1934-35.....	\$19, 513, 212
1931-32.....	3, 853, 818	1935-36.....	23, 628, 850
1932-33.....	10, 929, 571		
1933-34.....	13, 184, 835	Total.....	84, 780, 685

At \$1,000 per pupil in average daily attendance, this would provide facilities for 46 percent of the total school attendance and would be the equivalent of over \$2,500 for the population increase of the same 6-year period.

As to the adequacy of school plants in Utah, we submit statements made by the Commission which made a study of Utah's school system and needs in 1934-35—"Report of the Utah Conference on Education to the White House Conference" page 13:

"If present trends continue with respect to population shifts, assessed valuations and building costs, if present legal levies for capital financing are extended and if the present State-supported program to needy districts is continued, the total estimated school building program for the next 6-year period can be financed from resources within the State. In fact, for the districts which reported, their fund-raising possibilities exceed their capital needs by about 60 percent. It should be noted, however, that building need and financing ability to meet the need varied considerably from district to district as shown by the figures compiled. It is estimated that 10 of the districts will need some financial help from State funds to meet their estimated needs."

This opinion is reiterated and endorsed by the legislative council committee on education and was later approved by the legislative council as a whole. It

was further recommended that State aid be increased to \$2,500,000 for the current biennium and the continuation for the 12-mill building levy be authorized. Bills to effectuate these programs are now being favorably considered.

The informed opinion expressed here is that Utah can and will care for her own school building needs if she merely continues on as she has been going during recent years. This attitude we fully share.

Respectfully submitted,

M. H. HARRIS, *Executive Secretary.*

#### PRESENTATION OF ARTHUR V. BURROWES, ST. JOSEPH, MO., PRESIDENT, MISSOURI PUBLIC EXPENDITURE SURVEY

Were it not for the tremendous demand which has been artificially generated for Federal subsidy of school construction, it would seem incredible that Congress should even consider the pending construction subsidy legislation.

There is no need for Federal subsidy. That local school districts together with the States in which they are located have ample resources and taxing powers to finance public schools was confirmed in the findings of the United States Commission on Inter-Governmental Relations. It was borne out also in the final report of the White House Conference on Education, which after holding discussion meetings with school people and patrons all over the country reported to the President that no State represented at the conference had demonstrated a financial incapacity to build the schools it will need during the next 5 years.

In Missouri, the resources to do whatever needs to be done for schools are available. Missouri can and is taking care of its school building needs. It does not need Federal aid. School construction expenditures have been increasing year after year and are expected to continue apace.

It has not even been necessary for our State government to give any general school construction aid. At present the State engages in only a minor program of building aid to encourage school reorganization. Should local school districts' remedies be exhausted there remains the alternative of general State aid for school building that could be utilized in Missouri before calling for Federal help. Combined State and local resources could meet any conceivable school-building needs.

In Missouri it would cost more, not less, to supply school-building needs by either of the two pending Federal subsidy proposals than if Missouri built her own schools. Under H. R. 1 Missouri would pay in \$1.10 for every \$1 it got back and under the administration bill, Missouri would pay \$1.88 for every \$1 it received.

It is sometimes said that States having greater wealth should help the poorer States but a study by the New Jersey Taxpayers Association has revealed that of the total money paid by the 48 States to support existing Federal aid programs only 23 percent of it is redistributed to the needier States; 77 percent is tax money paid by the State which travels to Washington and returns to the same State less cost of administration.

It is naive to expect Federal control not to follow Federal financing of public schools. Public schools are thoroughly established as a local and State function peculiarly adapted to local control. That is an American tradition that should not be dropped but it will inevitably be lost once Federal control gets its foot in the door.

#### STATEMENT CONCERNING H. R. 3988 AND H. R. 1 BY NEW JERSEY TAXPAYERS ASSOCIATION

The New Jersey Taxpayers Association has been invited to submit its views on H. R. 3988 and H. R. 1, now under consideration by this subcommittee. The association is strongly of the opinion that these bills should not be passed because: (1) Federal school aid for construction is not needed in New Jersey; (2) Federal "aid" for education or any other purpose, saps New Jersey resources instead of providing aid; (3) these bills are a centralization package sold under an equalization label; and (4) general Federal financing of education constitutes a step toward Federal centralization of public schools which free government must abhor.

## FEDERAL SCHOOL AID FOR CONSTRUCTION IS NOT NEEDED IN NEW JERSEY

H. R. 8086 would send \$5.5 million into New Jersey and H. R. 1, \$17 million. In comparison, New Jersey school districts this year (fiscal 1957) will have authorized an estimated \$110 million in new funds for school construction. The 1956 total was over \$100 million and the aggregate in the 1947-57 period will approximate \$525 million (table 1).

Ability to support capital expenditures cannot be differentiated from ability to maintain the total annual expenditure program for education. The school districts and the State will spend more than \$450 million for educational purposes this year (fiscal 1957). In comparative terms, the New Jersey current operating expenditure per pupil in 1957 (as estimated by the National Education Association) is \$397, far above the national average of \$295 and exceeded only by New York. This high ranking position has been maintained for years.

It is to be noted also that the State last year put into effect a new and substantial program of aid and encouragement to local school districts for capital construction programs. Its features have received great acclaim in educational circles. In all, State school aid has risen from \$41 million to \$86 million during the last 5 years and will increase \$7 million in the 1958 fiscal year.

In further substantiation of the fact that New Jersey taxpayers are willing to dig down fast and deep to keep up with their school problems is the growing school-district debt. This debt is now estimated at \$500 million and is growing at the rate of nearly \$100 million a year (table 2).

Another measure of the magnitude of this school effort is seen when a comparison is made with the capital outlay expenditures in New Jersey for municipal and county purposes. In 1955, the latest year for which comparative data are available, municipal capital expenditures totaled \$86 million and county capital expenditures, \$17 million, or a total of \$53 million against school capital expenditures of about \$85 million.

In summary, New Jersey is making such tremendous advances in its school support that Federal aid pales into insignificance, both as to necessity and amount.

## FEDERAL AID SAPS NEW JERSEY RESOURCES

Attached is a brochure just released by this association under title of "Federal Aid—Quick Money or Quicksand." While it treats all Federal aid programs as a group, the conclusions therein bear directly on the invalidity of the H. R. 8086 and H. R. 1 Federal school-aid bills.

When the method of analysis used in the attached brochure is applied to the proposed bills, it becomes apparent that the latter would drain from, rather than aid, our ability to support educational expenditures in New Jersey, as shown below:

	Under	
	H. R. 8086	H. R. 1
New Jersey would get.....	\$5,500,000.00	\$17,000,000.00
New Jersey taxpayers would pay (4.1 percent of share of the budget cost).....	12,800,000.00	23,900,000.00
This would bring the New Jersey cost of each dollar of proposed aid to.....	2.33	1.41

This unfavorable cost ratio in the proposed Federal school aid financing is nothing new in New Jersey. It has been shown statistically by the association year after year that Federal school aid is a bad bargain for New Jersey. Thus, an analysis of Federal grants under the existing education aid programs in the last 5 years for which official figures are available shows the following unfavorable cost result (table 3):

1953: Each school aid dollar cost New Jersey taxpayers \$2.41.

1954: Each school aid dollar cost New Jersey taxpayers \$2.61.

1955: Each school aid dollar cost New Jersey taxpayers \$2.44.

While such cost calculations show conclusively that Federal aid as a source of money for New Jersey is a monstrous misconception, even these figures do not show all the cost. Federal aid programs require large sums for administration, and nowhere in the programs is this cost calculated or even shown. It takes many Federal agencies and hundreds of Federal budget items to funnel allocations down through 48 States and thousands of school districts, while at the same time enforcing Federal standards, procedures, and controls.



In New Jersey, the State and its subdivisions are solvent. They are able to meet their responsibilities for financing local education. On the other hand, the Federal Government is saddled with a tremendous debt and can finance new Federal aid only by neglecting a reduction of this debt and denying promised relief from sky-high Federal taxation.

The conclusion is inescapable that Federal school aid for New Jersey is a goldbrick, that without it New Jersey taxpayers are in a more favorable position to use their own resources at the State and local school expenditure level and, conversely, that passage of these Federal-aid bills will make even more burdensome the tax load already paid by New Jersey taxpayers to support the Federal Government, now 75 cents out of each overall tax dollar.

**FEDERAL SCHOOL AID IS A CENTRALIZATION PACKAGE SOLD UNDER AN EQUALIZATION LABEL**

It is common belief that Federal-aid programs are justified as a means of equalizing financial resources between the States. Thus, many people think of Federal aid as synonymous with the collection of tax revenues in so-called rich States and subsequent transfer to so-called poor States through the device of Federal-aid programs.

While there is great argument over determining who is rich and who is poor (especially degrees thereof), and over devising realistic standards for determining the extent to which each State is using its own resources to support needed governmental services, there is no gainsaying the fact that much of the drive for the Federal school aid comes from those who think that the funds will be devoted primarily to some sort of scientific equalization between the States.

Most of the funds would not be used for such equalization. The bulk of the money distributed under both bills in question would turn out to be tax money reallocated to States whose taxpayers supplied it in the first place, but returned under Federal control for expenditure purposes laid down by the Federal Government. The following tabulation shows how this result would come about:

	H. R. 8086	H. R. 1
Total Federal aid proposed in 1956 (excluding Territories) is.....	\$312,400,000.00	\$384,160,000.00
Therefore, the cost to taxpayers would be an equivalent.....	\$12,400,000.00	\$84,160,000.00
Of this total, the amount of tax cost returned to the respective States of origin in the form of Federal aid would be.....	219,300,000.00	483,200,000.00
Which means that the amount of Federal aid actually transferred from one group of States to another (termed equalization of financial resources between States) would be only.....	23,100,000.00	95,900,000.00
Thus, the actual aid in the overall Federal aid dollar would come to only.....	.30	.16
Whereas centralized Federal tax collections (deceptively called aid) would account for the remaining.....	.70	.84

Under H. R. 8086, there are 17 States in which a dollar of proposed aid would cost more than \$1 in taxes. Taxpayers in these States would pay out an aggregate \$216.6 million to support a proposed Federal-aid program under which their respective States would receive total aid of \$122.4 million in 1956.

Conversely, there are 31 States in which a dollar of proposed aid would cost less than \$1 dollar in taxes. But to get this aid, taxpayers in these States would pay out an aggregate \$96.9 million as their share of a program under which their respective States would receive total aid of \$190.0 million.

Thus, \$210.8 million of the overall aid would not be aid at all, but rather the return of tax dollars in the form of aid to which Federal strings and controls had been attached.

Under H. R. 1, there are 17 States in which a dollar of proposed aid would cost more than \$1 in taxes. Taxpayers in these States would pay out an aggregate of \$402.9 million to support a proposed Federal-aid program under which their respective States would receive total aid of \$307.0 million in 1956.

Conversely, there are 31 States in which a dollar of proposed aid would cost less than \$1 in taxes. But to get this aid, taxpayers in these States would pay out an aggregate of \$181.2 million as their share of a program under which their respective States would receive total aid of \$277.1 million.

Thus, \$483.2 million of the overall aid would not be aid at all, but rather the return of tax dollars in the form of aid to which Federal strings and controls had been attached.

These studies make clear that, contrary to popular belief, the centralized financing features of the proposed Federal school-aid bills would predominate and that equalization of financial resources among the States would be only incidental. Thus, just 30 percent in H. R. 3080 and 16 percent in H. R. 1 would represent tax moneys collected directly from taxpayers in high tax revenue producing States and transferred in the form of aid to so-called poor States. The major portion—70 percent in H. R. 3080 and 84 percent in H. R. 1—would consist of tax money reallocated to the States whose taxpayers supplied it in the first place and would constitute plain centralization of State and local financing at the Federal level under the guise of aid.

#### FEDERALIZATION OF SCHOOL FINANCE IS DANGEROUS

Proposals for Federal aid to education present a fundamental and far-reaching choice—the choice to conserve the right of local determination and assume its responsibilities or take refuge in centralization and accept its dangers.

This Nation was founded upon the concept of freedom. It is the responsibility of the public school system to perpetuate the spirit of freedom. Today this spirit is weakened by those who would trade it for security promised by a paternal central government. The result is progressive diminution of areas of local responsibility and increased reliance upon central government.

It can always be reasoned that the Federal Government has the responsibility to see that state and local services are performed. Had this reason been all-compelling, the founders of the Nation would have refrained in the first instance from establishing a Federal system of government. Rather, they would have provided overall centralized financing and established state and local government merely in the form of administrative districts of the Federal Government itself. Fortunately, a wiser philosophy prevailed, and State governments were given broad responsibilities to provide for and finance State and local affairs. The arguments in favor of so doing, relating as they do to closer citizen control of and interest in State and local services, need no repetition. Close citizen participation has been a major contributing factor toward our national progress.

The arguments raised in favor of Federal aid to education are used likewise to support a host of proposals for other types of Federal aid. They are based principally upon a mere summation of State and local needs and a minimum of recognition of the ability of State and local governments to meet those needs. But proof of need does not ipso facto constitute justification for Federal aid. If the Federal Government were to acquiesce in all of the proposals for centralized financing, there would be little left of State and local government but an empty shell. Thus, any step toward new general aid programs is a step toward weakening the fabric of State and local responsibility upon which representative government is so dependent. Today the practice of transferring to upper levels of government responsibilities that traditionally have been assumed locally has passed the point of either need or safety.

The demand for Federal aid to education is an invitation to centralized control. Federal aid without Federal control may be possible. Federal aid without the possibility of Federal control is not. The greatest dangers in Federal control are incipient. History demonstrates that dictatorships harness the education of youth to establish or perpetuate their regimes. In our democracy, on the other hand, education is imparted by example as well as by precept. The precepts of citizen responsibility cannot be implanted in young minds through the medium of a school system dependent upon Federal paternalism and subservient to Federal bureaucratic control.

Control of the purse is a prelude to other controls. These bills contain the threat of Federal control over the public school system by instituting a centralized financing process under which local and State responsibility for education of the Nation's youth would slip steadily into the Federal orbit. Their passage would mark the beginning of the end of decentralized and decentralized education.

In summary, the New Jersey Taxpayers Association challenges the necessity and wisdom of invoking the financial resources of the Federal Government to embark on a program of general aid to education as proposed under H. R. 3080 and H. R. 1. Not only is Federal assistance for school construction not needed in New Jersey, but the State already suffers from too much Federal "aid", since its taxpayers pay an unconscionable markup for each dollar returned as "aid" to the State. Nor is present Federal aid, or that proposed in these bills, defensible as

an "equalization" of financial resources between the States, since only relatively small portions of the funds are devoted to this purpose. Finally, these bills are challengeable for the most fundamental of all reasons, namely, that their passage would endanger the institution of public education—locally inspired and controlled—the heart of our democracy.

TABLE 1.—*Expenditures for school capital purposes in New Jersey, 1947-57*

[Millions]

School year	Capital expenditures		School year	Capital expenditures	
	Total	Cumulative		Total	Cumulative
1947.....	\$3.2	.....	1953.....	46.7	174.4
1948.....	5.4	\$11.6	1954.....	54.0	230.4
1949.....	19.3	30.9	1955.....	84.8	315.2
1950.....	28.5	59.4	1956 (estimate).....	101.0	416.2
1951.....	50.7	80.1	1957 (estimate).....	110.0	526.2
1952.....	39.0	129.7			

Source: Annual reports, school districts and commissioner of education.

TABLE 2.—*Trend in gross capital debt of New Jersey school districts, 1945-56<sup>1</sup>*

[Dollars in millions]

Year ending Dec. 31	Gross debt	Change from previous year		Year ending Dec. 31	Gross debt	Change from previous year	
		Amount	Percent			Amount	Percent
1945.....	\$121.5	.....	.....	1951.....	159.0	+17.5	+10.2
1946.....	119.3	-\$2.2	-1.8	1952.....	231.8	+72.8	+22.6
1947.....	114.5	-4.8	-3.8	1953.....	275.6	+43.8	+18.9
1948.....	135.4	+20.9	+17.9	1954.....	334.5	+58.9	+21.4
1949.....	149.5	+14.1	+10.4	1955.....	415.9	+81.4	+24.3
1950.....	171.5	+22.0	+14.7	1956 (estimated).....	510.0	+94.1	+22.6

<sup>1</sup> Includes bonds and notes authorized but not issued.

Source: Annual reports, division of local government.

TABLE 3.—*Distribution of Federal aid for education to New Jersey and equivalent tax cost, 1953-55*

[Millions]

## A. DISTRIBUTION OF FEDERAL AID FOR EDUCATION

Program	1953 aid		1954 aid		1955 aid	
	New Jersey	United States	New Jersey	United States	New Jersey	United States
School construction and survey in federally affected areas (emergency grants).....	\$1.3	\$118.3	30.9	\$105.3	\$1.5	\$120.9
Maintenance and operation of schools in federally affected areas (emergency grants).....	1.0	60.0	1.0	67.5	1.3	31.9
Cooperative vocational education (regular grants).....	.5	25.4	.5	25.3	.6	30.5
Colleges for agriculture and mechanic arts (regular grants).....	.1	5.0	.1	5.0	.1	6.1
School-lunch program (regular grants).....	1.5	51.7	1.5	51.7	1.6	51.6
Special school milk program.....	.....	.....	.....	.....	.5	22.2
Total.....	4.4	260.4	4.0	254.8	5.6	342.2

## B. TAX COST OF FEDERAL AID FOR EDUCATION

	Federal aid for education distributed to New Jersey	Estimated amount paid by taxpayers in New Jersey to finance Federal aid for education <sup>1</sup>		Tax cost of each dollar returned to New Jersey in Federal aid for education (col. 2 ÷ col. 1)
		Percentage	Amount	
	(1)	(2)	(3)	(4)
	Millions		Millions	
1933	24.4	3.00	810.7	\$2.41
1934	4.0	3.70	10.4	2.61
1935	5.6	3.00	12.7	2.44

<sup>1</sup> Based on formula developed by Tax Foundation to reflect allocation of Federal tax burden between States.

Source: Federal aid grants from Annual Reports of the Secretary of the Treasury on the State of the Finances, Fiscal Years 1933-34, 1934-35, 1935-36.

Note.—Computations may not necessarily agree precisely with detailed figures due to rounding.

**STATEMENT PRESENTED ON BEHALF OF THE CITIZENS PUBLIC EXPENDITURE SURVEY, INC., OF NEW YORK STATE BY STEVE STAHL, COORDINATOR, NATIONAL CONFERENCE OF STATE TAXPAYER EXECUTIVES**

New York does not need Federal aid for school construction. And, its millions of voting taxpayers want no part of any scheme which places a premium on procrastination and irresponsibility in some States at the expense of farsighted and practical taxpayers in the rest of the United States.

In the interest of the taxpayers of the State of New York, who would not only be required to continue to foot the bill for the cost of operating their own schools, but also for providing thousands of classrooms for other States, the Citizens Public Expenditure Survey, Inc., of New York State opposes all legislation before this committee proposing to grant Federal money for schools. Until such time as evidence proves beyond a doubt that other States—after exercising equal effort to that being put forth by harassed New York taxpayers—cannot finance their own school needs, it is a matter of economic prudence that citizens of this State oppose all such grant programs.

Nowhere in private business would you find a responsible person who would be willing to invest a dollar and get back only 63 cents in return. (This is the "bargain" offered New York taxpayers by H. R. 1—the Kelley school construction bill.) But, even worse is the proposition offered New Yorkers in the administration's proposal (H. R. 3086, S. 889). For the use of one of his tax dollars, the Empire State taxpayer would, under the terms of that plan, receive the munificent sum of 86 cents in return.

Both the Keenbaum Commission, in June 1935 and the White House Conference on Education in December 1935 reported that all States were financially capable of supporting an adequate school program. Only their determination to do so remained in question.

Furthermore school-building construction since those reports were made public has been greater than ever before in history. Public school systems built 64,000 classrooms in 1935-36 and will build an estimated 60,200 during the current, 1936-37, school year, according to the United States Office of Education. And those classrooms that are being built this year will accommodate the 1,205,000 more pupils enrolled this year than in 1935-36 (42,600 classrooms), as well as providing space for around 700,000 additional pupils (26,000 classrooms).

Education officials in New York State have reported to the United States Office of Education that 2,200 additional classrooms were needed last fall to provide adequate space for the "number of pupils in excess of normal capacity" in this State. They also reported that 7,000 classrooms will be built this year—enough to clear up the 2,200 classroom deficit, plus providing 4,800 classrooms for rising enrollments and replacement of unsatisfactory facilities. And, yet that figure of 2,200 classrooms needed has been included in the reported shortage of classrooms in the Nation. If the shortages for other States have been similarly shown, the classroom shortage figure reported by the United States Office of Education to this committee is grossly overstated.

It is evident, therefore, that there is no need for Federal school aid in this State. And, if the number of classrooms being built continues to surpass the number needed to handle increased enrollments forecast, any deficit that might exist in other States will rapidly disappear.

Holding out the lure of getting "something for nothing" to the States serves to do nothing but deter the initiative of the States and localities in finding the solution to their own problems. We urge that the Federal school aid legislation now before you be rejected.

WYOMING TAXPAYERS ASSOCIATION,  
Cheyenne, February 21, 1957.  
Hon. CLEVELAND M. BAILEY,  
Chairman, Subcommittee on General Education, House of Education and Labor Committee, House of Representatives, Washington, D. C.

DEAR CONGRESSMAN BAILEY: We write to convey to you the feelings of the people of Wyoming regarding Federal aid for school construction. It would be appreciated if the developments to be related herein could be entered into the record of the hearings you are conducting. Wyoming's Gov. William D. Simpson in his message to the 34th legislature on January 9, 1957, had this to say of the subject:

"Section 3, article 7 of our constitution reads: 'The legislature shall provide for the establishment and maintenance of a complete and uniform system of public instruction, embracing free elementary schools of every needed kind and grade, a university with such technical and professional departments as the public good may require and the means of the State allow, and such other institutions as may be necessary.'

"If there ever was a clear mandate against Federal aid to schools, this is it. We do not need any more Federal aid to education. It invited Federal control and Federal control is the death knell to local control of our public school system. Many see magic in the words, Federal aid. It is an alluring phrase, actually intended to give the impression that big brother Uncle Sam is saving the educational systems of the poor beleaguered, helpless little States. Federal aid actually means that we raise our taxes to send our money to Washington; then raise some more taxes to match the amount we have already sent to Washington to get back the amount we originally sent, less of course, an additional 40 percent of administering Federal controls.

"We have met and will continue to meet our obligations to our schools. Education of our youth is not only a responsibility. It is a sacred trust.

"Applying the present birth wave to school enrollment 10 years from now discloses that we can expect 28 percent more than today in the elementary schools; 65 percent more than today in the high schools; and 40 percent more than today in the colleges. Projecting these facts 10 years ahead means more classrooms, more teachers, and more money. Money means taxes. Already nearly 45 percent of the property taxes collected for the States go to the schools.

"In the natural evolution of things, there will be higher local taxes, higher property assessments, and fewer exemptions. Of course, there will be more people, more business, and more industry to share the load. Wyoming has always met this educational challenge. It will continue to do so.

"Education is not a partial luxury. It is a fundamental necessity. There is no substitute for the trained and educated mind. Therefore, we must be very certain that our educational establishment is adequate to serve these increased requirements."

On January 15, a joint memorial, memorializing the Congress of the United States of America, against legislation to provide Federal aid for school construction was introduced in the Wyoming Senate by 19 sponsoring senators, 11 of the majority party and 8 of the minority party. By February 11 the memorial had passed both houses and was the following day signed by the Governor.

The text of the memorial states:

"Whereas legislation is pending before the Congress to authorize a program of Federal grants for school construction; and

"Whereas Federal aid for school construction would be only the first step toward Federal aid for school operation; and

"Whereas the White House Conference on Education reported that no State has demonstrated a financial incapacity to build its own schools; and

"Whereas Wyoming is one of the few States which is demonstrating both a political determination and a financial capacity to build and operate its own schools, despite the fact that the Congress refuses to let Wyoming own and tax 52 percent of its land area, which is consequently not available for school support; and

"Whereas, despite this tremendous disadvantage, the State of Wyoming is much more solvent than the Federal Government; and

"Whereas any form of Federal subsidy brings with it the implied threat or self-evident need for Federal supervision or regulation; and

"Whereas, with respect to building, financing, and operating Wyoming schools, the sovereign State of Wyoming has no intention of relinquishing its right and privilege to any Federal agency or even to the Congress of the United States: Now, therefore, be it

*"Resolved by the Senate of the 54th Legislature of the State of Wyoming, the House of such Legislature concurring, That Wyoming is firmly opposed to the passage of any proposal to extend or provide new Federal grants for any school purpose and the Congress of the United States of America is hereby memorialized against any and all such proposals."*

The Governor also stated in his legislative message:

"Our present school laws are adequate to cover the building needs of the State in most instances. In isolated cases, however, they have proved to be binding and unworkable and I strongly urge that the legislature pass some sort of emergency aid for school building construction. If we are to prevent Federal encroachment upon our sovereign rights, we must accept and discharge the firm responsibilities clearly set forth in our constitution."

The legislature did enact an emergency State-aid school construction law as requested by the Governor.

The fall 1956, statistics given in the large table prepared by the Department of Health, Education, and Welfare and submitted to your subcommittee shows 1,800 pupils in excess of normal capacity of the accessible publicly owned school plants in use for Wyoming. We can find no firm basis for this figure. The figure shown in the same table for classrooms needed to replace unsatisfactory facilities is 160. This figure seems to tie in with the December 1956 report of the Wyoming Citizens Committee on Educational Problems appointed 2 years ago by the Governor. This report stated,

*"It is estimated that approximately 100 additional elementary classrooms and about 50 additional junior and senior high school classrooms are needed to relieve overcrowded conditions."* (Italic added.)

During the past year and a half some \$9,500,000 in school buildings was voted by Wyoming school districts. At \$30,000 each, this would build 316 classrooms but, of course, some of this goes to gymnasiums, auditoriums, all-purpose rooms, etc., pointing out that classroom needs are being met.

Sincerely,

DUANE W. RIGGERT, *Research Associate.*

Mr. BAILEY. On tomorrow the committee will hear Hon. Charles Bennett of Florida, a Member of Congress, and two State chambers of commerce. And there is a possibility we may have a fourth witness also.

The Chair has agreed with the distinguished gentleman from New York that we may have some 8 or 10 or as many as 12 other witnesses who have requested to be heard.

The Chair has conceded that we can handle four witnesses a day and we will go ahead and hear all of them, so nobody will have any objection.

The committee will be in recess until 10 o'clock tomorrow, in this committee room.

(Whereupon, at 4:30 p. m., the subcommittee was recessed, to be reconvened at 10 a. m., Wednesday, March 6, 1957.)

## FEDERAL AID TO STATES FOR SCHOOL CONSTRUCTION

WEDNESDAY, MARCH 6, 1957

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON GENERAL EDUCATION OF THE  
COMMITTEE ON EDUCATION AND LABOR,  
*Washington, D. C.*

The subcommittee met at 10 a. m., pursuant to recess, in room 219, Old House Office Building, Hon. Cleveland M. Bailey (chairman of the subcommittee) presiding.

Present: Representatives Bailey, Metcalf, Gwinn, Frelinghuysen, and Haskell.

Staff members present: Fred G. Hussey, chief clerk; and Kennedy W. Ward, assistant general counsel.

Mr. BAILEY. The subcommittee will be in order.

The clerk will call the roll to ascertain if a quorum is present.

Mr. Hussey. Mr. Bailey?

Mr. BAILEY. Present.

Mr. Hussey. Mr. Kelley?

(No response.)

Mr. Hussey. Mr. Metcalf?

Mr. METCALF. Here.

Mr. Hussey. Mr. Udall?

(No response.)

Mr. Hussey. Mr. Gwinn?

(No response.)

Mr. Hussey. Mr. Frelinghuysen. Here.

Mr. BAILEY. The Chair would like to offer for inclusion in the record at this point a communication from Earl J. McGrath, former Federal Commissioner of Education and presently on the faculty of Columbia University Teachers College, New York, addressed to the editor of the New York Times.

I would also like to include in the record at this time a communication from Charles H. Boehm, State superintendent of schools in the State of Pennsylvania. The telegram reads as follows:

Currently tallying number of structurally unsafe and fire hazardous classrooms abandoned since 1952 pending outcome see no need to modify report of October 1956. According to study completed in February 1957, 78,028 pupils in unsafe classrooms.

(Signed) CHARLES H. BOEHM,  
*Commissioner of Instruction.*

The Chair wishes to insert in the record a communication from Julia D. Bennett, director of the Washington office of the American Library Association; an editorial from the Portland, Maine, Press-

Herald Telegram under date of February 1, under the caption, "That Children May Be First"; also an editorial from the Asheville, N. C., Times under date of February 12.

The Chair asked for insertion in the record yesterday of a communication from the State superintendent of schools of North Carolina in which he stated that he was offering for insertion in the record the statement on the situation in the State of North Carolina as regards classroom shortage. At this time, if there is no objection, I would like to offer the facilities survey by the State of North Carolina as reported by the State superintendent of schools.

(The documents referred to follow):

TEACHERS COLLEGE, COLUMBIA UNIVERSITY,

NEW YORK, N. Y., March 4, 1957.

To the Editors of THE NEW YORK TIMES:

Your issue of March 2, 1957, reports the testimony of Mr. John Miles, representing the United States Chamber of Commerce, before the House Committee on Education and Labor regarding the schoolhouse shortage in the United States. As the witness who appeared before this committee for the National Education Association and as former United States Commissioner of Education, I wish to comment on Mr. Miles' testimony.

I was happy to observe, as the report of the committee hearings at which I testified will show, that there was little disposition among the members of the committee to dispute the fact, which is clearly stated in President Eisenhower's special message on education, that a real and urgent need for more classrooms exists and that Federal assistance is absolutely essential. If the committee is representative of the whole Congress, as I believe it is, the questions now before the Congress relate to the type and amount of aid and to the methods of distribution, rather than to the need. For this reason, Mr. Miles' testimony is all the more shocking.

First, with regard to the "numbers game" which, I regret, Mr. Miles has revived: As early as 1952 a study for the Congress, made in the United States Office of Education, of schoolhouse facilities showed a critical shortage of classrooms throughout the Nation. These figures on need for new facilities, which involved over \$10 billion, were supplied by the education officers in the several States and not, as sometimes stated, by bureaucrats in Washington. With regard to these compelling figures on the need for Federal aid, the chamber of commerce took the same position then that it takes now. The chamber then said, as it says now, that, if left to their own devices, the States and communities would soon build the additional classrooms out of their own resources.

Yet, 5 years later, as Secretary Fulson has shown, the present shortage of classrooms still numbers 159,000. Even with increased building, the gap between need and construction has not materially closed. It is clear, to those who really want to get at the truth in this situation, that the argument that the States and local districts could and would build the needed classrooms had no validity then and has none now. Nevertheless, Mr. Miles, on behalf of the leadership of the United States Chamber of Commerce, advances the same threadbare and false argument that the States and school districts will, in 5 years, build the needed facilities from their own resources.

In view of the facts abundantly available to all those who sincerely wish to arrive at the truth—facts whose soundness is admitted by all reputable educators and informed laymen—one is irresistibly driven to the conclusion that Mr. Miles' statement was not made in good faith. To suggest a delaying action for another survey is dishonestly to use a ruse to prevent any action on an important social problem already adequately illuminated by existing facts. Aside from the fact that, if Mr. Miles' advice is followed, hundreds of thousands of children will be deprived of an adequate education, there are three disturbing aspects of this testimony which voters, and especially their congressional representatives, will want to consider seriously.

The first is the dishonesty involved in the statement by the chamber's representative that the States and local communities should and can build their own schools. If the chamber really believes this statement and ardently wants the schools built, sincere men might reasonably expect that the state and local bodies of the chamber of Commerce would be carrying on thumping campaigns for larger State appropriations and larger local bond issues for schools. This



would, in their own logic, be the best way to avoid Federal legislation while, at the same time, bending their efforts toward relieving the present emergency, regrettably, the opposite is true. Such legislation and bond issues have repeatedly been vigorously opposed in the States and communities by some of these very people in the chamber who argue against Federal aid. The only deduction one can draw is that the chamber wants to spend as little as possible for schools. This position would be understandable, if not defensible, if the chamber were equally parsimonious with the public's money in all other respects. But the record shows it isn't. Where its own selfish interests are involved, as, for example in the matter of roadbuilding, it shows none of the revision toward increased Federal grants and the inevitable increased burden of taxes which it exhibits toward the expenditure of Federal money for the improvement of our children's education. Since the education of our children for work and for the responsibilities of citizenship are directly connected with the well-being of our country and its position of strength in the world at large, one can draw his own conclusions concerning the social responsibilities of the chamber of commerce.

Secondly, thoughtful citizens will be troubled by the influence of a self-interested and financially strong lobby on the legislative process which is supposed to operate with equal efficacy in behalf of all in a democratic society. A Washington reporter of the New York Times states, in an article on page 52 of the March 3, 1937, issue, that educators in the House hearing were reporting from key cities that high officials of the chamber of commerce were stimulating letters, telegrams, and telephone messages to the Congress opposing Federal aid for schoolhouse construction. For this reason, congressional mail is running 5 to 1 against Federal legislation for providing aid to the States for the building of school facilities. Yet, as late as February 10, 1937, a Gallup poll, reported in the Washington Post, showed that American citizens, regardless of political affiliation or religion, were overwhelmingly in favor of this type of legislation; overall, the percentage was 70. Surely the Members of Congress, serving as they do their entire constituency and not a special group with unlimited financial resources to press their own case, will recognize that the letters received opposing Federal aid constitute a negligible, though vocal, percentage of their constituents and that the vast majority of voters want Federal aid for schoolhouse construction.

Thirdly, there is an aspect of this testimony which is often overlooked but which, in my mind, may be the most important of all, though its effect may be more remote. We are now engaged in a struggle with communism, the most serious danger to our free enterprise system that has ever appeared. Millions of human beings in other parts of the world have fallen prey to the blandishments and false promises of totalitarian propaganda. Recent events in the Middle East show the possibility of our losing other hundreds of millions to the banner of communism. One of the greatest handicaps in the uncommitted areas is the feeling among those people, rightly or wrongly, that we are a materialistic nation interested primarily in things and not in people. They wonder why a nation, which does not hesitate to spend \$50 billion for roads, debates for years about spending 2 or 3 billions for schools. This attitude can be found all through the Middle East, Asia, and Africa, as anyone knows who talks with candid people in those areas as I have done. This attitude finds confirmation in fact when a large national organization in the United States favors spending Federal money for material things, such as roads, and opposes expenditures for intellectual and spiritual things, such as education—and let it not be said that schoolhouses, or the lack of them, have no influence on the intellectual, spiritual, and moral development of our children.

The strongest defense of free enterprise, and our free way of life generally, at home is increased opportunity for the development of the talents of our people. The strongest defense against communism abroad is the recognition among other peoples that we stand for human, not material, values. In both respects, the enactment of Federal legislation for schoolhouse construction will strengthen our position at home and abroad.

Those who love this land of freedom, which by the help of God has surpassed all other creations of the human mind and hand, will not be misled in their thinking by the revival of the "numbers racket" on schoolhouse construction. This attempt to deceive the people has already deprived hundreds of thousands of American children of their educational birthright and the Nation of inestimable knowledge and skills so sorely needed in the fullest development of our dem-

ocratic society. It is gratifying to observe that many members of the local chambers of commerce are not in favor of this socially detrimental policy which, if continued, in the end will undermine public faith and confidence in the purposes and policies of American business. The inexorable pen of history will eulogize those who put the educational welfare of American children above self-interest. It will treat the others with the same impartial objectivity.

Sincerely yours,

KARL J. McGRATH, *Executive Officer.*

HARRISBURG, PA., March 3, 1957.

CLEVELAND M. BAILEY,

*Chairman, Subcommittee School Facility, House of Representatives,  
Washington, D. C.*

Currently tallying number of structurally unsafe and fire hazardous classrooms abandoned since 1952. Pending outcome, see no need to modify report of October 1956. According to study completed in February 1957, 78,028 pupils in unsafe classrooms.

CHARLES H. BOKHM.

AMERICAN LIBRARY ASSOCIATION,  
Washington, D. C., March 3, 1957.

Hon. CLEVELAND BAILEY,

*Chairman, General Education Subcommittee, Education and Labor Committee,  
House of Representatives, Washington 25, D. C.*

DEAR MR. BAILEY: Attached is a statement of support for the school construction legislation now pending before your subcommittee.

May I ask that it be made a part of the record of these hearings.

Sincerely,

JULIA D. BENNETT.

*Director, ALA Washington Office.*

The American Library Association registers its support for school construction legislation presently being considered by the General Education Subcommittee of the House Education and Labor Committee. The American Library Association asks that this statement be made a part of the record of these hearings.

The American Library Association is a professional organization of more than 20,000 librarians, trustees, and friends of libraries interested in the development, extension, and strengthening of our Nation's library services. The association is also interested in the broad field of educational facilities and opportunities. In 1950, the council of the ALA, our governing body, took formal action in support of Federal aid to public education, including the use of Federal funds for the construction of school buildings. However, if any such bill includes the enumeration of various rooms or facilities in school buildings, the council would urge that (and only then) school libraries should be specifically enumerated for inclusion in such school buildings.

President Eisenhower, in his state of the Union message on January 10, made the following statement concerning this legislation:

"High priority should be given the school construction bill. This will benefit children of all races throughout the country--and children of all races need schools now. A program designed to meet emergency needs for more classrooms should be enacted without delay. I am hopeful that this program can be enacted on its own merits, uncomplicated by provisions dealing with the complex problems of integration \* \* \*"

At the midwinter business meeting of the American Library Association in Chicago on January 31, 1957, the council stated that it believes the President's position is a sound one. It stated further that it believed that "our children need the buildings now and that nothing should be allowed to interfere with this construction program." The council voted unanimously to support the school construction legislation with no restrictive amendments attached.

The American Library Association feels that the Congress should move as swiftly as possible to enact school-construction legislation. This subcommittee is to be commended for speeding the hearings in order to get down to the work of drafting a measure which can be considered by the House as a whole at the earliest opportunity.

## THE NATION'S PRESS COMMENTS ON SCHOOL CONSTRUCTION LEGISLATION

Prepared by the Division of Legislation and Federal Relations, National Education Association, Washington, D. C.

[Portland (Maine) Press-Herald Telegram, February 1, 1957]

## THAT CHILDREN MAY BE FIRST

(Editorial from the Christian Science Monitor)

When Federal aid to public schools last came before Congress it was killed by a combination of those who feared it as an additional leverage toward desegregation, of those who oppose further extension of Federal functions, and of those who are for Federal economy at almost any price.

Few care to appear hostile to improved education for American youth. So there was less point-blank than oblique opposition to the bill. For instance, Congressmen who favored desegregation voted for the Powell anti-segregation rider, the passage of which had been foreseen as guaranteed to kill the aid bill.

It is unlikely these assorted motivations back of opposition have been removed. The hope for Federal aid, therefore, depends upon a marshaling of the generally pro-school American sentiments behind it into a public opinion strong enough to override any combination against it.

Into such a political weather pattern President Eisenhower has sent up another message urging national concern with the needs of public schools.

Several cautions have been in the thoughts even of people who would like to keep the segregation issue separate, who would not be doctrinaire about "big government" where good schooling for the Nation's children is at stake, and who would rather that Federal economy be not too severe on education. These, all together, may have damped somewhat the support required to enact school aid. The President's message takes account of these cautions.

As to keeping the segregation issue separate, Mr. Eisenhower says: "I hope this school construction legislation can be enacted on its own merits. \* \* \*

Another valid cause for reluctance has been the fear lest Federal aid might mean Federal control at the cost of home rule. The President lays down as basic principles: (1) That the aid he advocates is emergency aid only—until States and communities can again take over all the burden; (2) that it "must not infringe upon the American precept" of local responsibility and control; and (3) that Federal aid must stimulate more local support—this by the device of Federal-State matching funds.

The form in which the school-aid bill finally reached the floor of Congress last year somewhat justified the widespread impression that this would be another form of Federal dole to the States: grants were to be distributed simply on the basis of the number of school-age children in each State. This, the President says, "would tend to concentrate Federal aid in wealthy States most able to provide for their own needs."

His message reemphasizes the approach he set forth a year ago: that aid should be given in proportion to local need, in inverse proportion to local resources and in recognition of local effort.

These proposals blueprint a foundation for the "sound bill" this newspaper called for just after Congress killed the effort last summer. Such a bill was described as "one freed from political leverages and cleansed of political sops behind which the many could unite who put children first."

[Asheville (N. C.) Times, February 12, 1957]

## FUTURE OF UNITED STATES EDUCATION IS AT STAKE: FEDERAL AID ESSENTIAL IN SCHOOLROOM CRISIS

There are strong and obvious reasons for the urgency which accompanies President Eisenhower's program for Federal aid for public-school construction. They all mean that opportunities lost, or partly lost, in overcrowded classrooms or in half-day school sessions can never be regained. The formative years of a child are fleeting things. America's present bumper crop of schoolchildren just can't wait any longer to get a fair break.

Schoolroom crises exist right now in many areas of this Nation. With each year of procrastination it grows worse. The rapid population increase will add 6 million pupils to the public-school burden in the next 5 years.

It is true, as the President has said, that the task of education is basically a State and local community responsibility. But many town districts of low property values and rapidly growing suburban districts have been unable to borrow for their full needs. Regardless of what they should do, the States generally are falling pathetically short of coping with the classroom shortage. The Federal Government clearly must take the initiative in solving this emergency problem if it is to be solved.

The segregation issue killed the Federal school-aid bill last year. But sentiment in Congress now seems to be that failure to build the schools so urgently needed will not help integration or anything else.

And for those who fear Federal control with Federal aid, there is the persuasive fact that this is a strictly emergency program by which the Government will simply help provide the steel and concrete until enough schools are built, then drop out of the picture. No one is advocating that our Federal Government go into the school-building business as a permanent thing.

The President's program is substantially the same as the one he proposed last year, although it has been compressed into 4 years as a result of the 1 year of congressional delay. Grants of \$1,800 million, to be matched by the States after the first year, would be on the basis of a complex formula which takes account of State need and effort.

This plan is in contrast to the Democratic proposal which covers 6 years, includes a much larger sum, and would apportion Federal money on the basis of school population. These are differences, however, that can easily be worked out by legislative compromise.

The imperative thing right now is that Congress consider the school problem on its own merits, without confusing the issue with civil rights or academic arguments over Federal control. Today's youngsters just can't wait—and their country can't afford to let them down either. They are going to have to carry on the work of the America of tomorrow—and judging by the mess our world is in today their task won't be easy even if all of them have the most superior type of education.

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(Winona (Minn.) Daily News, February 13, 1957)

#### CONGRESS MUST NOT MUFF SCHOOL AID

Two big dangers are potentially involved in Federal aid to schools. One of these is that Federal aid will undermine local responsibility. The other is that Federal aid, once established, would become a permanent program on which the States would increasingly depend.

President Eisenhower evaded neither of these central problems in his special message to Congress asking for a \$2,220 million school-aid program. He called the present classroom shortage a "temporary emergency situation." He also emphasized State and community "responsibility for control of education."

The President's central proposal is for Federal school construction grants to the States at the rate of \$325 million annually for 4 years. He also proposes setting aside \$750 million for purchase of school-construction bonds from districts unable to obtain funds at reasonable interest rates. The school-construction grants would be the heart of the plan.

Congress muffed school aid at its last session. This must not happen again. There are complicated questions as to the basis on which aid should be distributed, and as to assuring continued State responsibility for education. The racial segregation issue is bound to be involved again, also, though it is hard to see how any good can come of intruding that issue into the school-aid question.

Congress will have to wrestle with these problems. It will have to make sure that the situations President Eisenhower warned against are forestalled in whatever bills are passed. But it is clear that the people recognize the need for emergency Federal aid to the States in providing school facilities. The matter should not again be allowed to fall by the wayside.

[Riverside (Calif.) Enterprise, February 12, 1957]

## 4-1 FOR FEDERAL AID

A new Gallup poll shows that 4 out of every 5 Americans tested believe "the Federal Government in Washington should give financial help to build new public schools, especially in the poorer States."

On whether the Federal Government should help schools which are still segregated, the proportion of popular favoritism is roughly the same.

On the first question, the ratio of "yes" votes has gone up substantially since last year, almost 10 percent. This would seem to demonstrate a growing awareness that local communities are unable to build the new schools and classrooms needed in all instances.

The exact sentiment of Congress on Federal aid to schools has yet to be tested. But from all indications it by no means reflects or parallels popular opinion.

It is the old story of the elected representatives of the people lagging behind the electorate.

[Austin (Tex.) American, February 14, 1957]

## SCHOOL AID

The fact is that President Eisenhower's school aid program is now given only a little better than a 50-50 chance of passage by Congress this year.

This is in spite of a few factors that would indicate more favorable action.

The one very hopeful factor is that many Congressmen campaigned last year on promises to vote for school-aid legislation this year. Both party platforms endorsed school aid. So politically, the climate for passage should be better.

Furthermore, the shortage of classrooms and teachers is greater this year than last. Pressure on Congressmen from parents and local school officials to do something is getting heavier all the time.

But President Eisenhower's school program which was presented to Congress this year is much the same as the program which Congress turned down last year. The objections to it are likewise still the same.

This puts the administration's legislative leaders up against the problem of planning new strategy.

In the long run, they hope it will permit passage of some kind of an aid to education program before the end of the session.

[Anniston (Ala.) Star, February 13, 1957]

## PRIORITY FOR EDUCATION

It shows a genuine interest in education on the part of the President that he has given priority to that interest in his followup of recommendations to the Congress. That claim to priority is based on both social and economic grounds.

It is a social claim because of the number of children added to the school enrollments throughout the Nation. And it is an economic claim because it directly affects the economic welfare of the Nation, particularly in a technological period of national history.

It needs no argument to confirm the observation that higher standards of skills are increasingly in demand, if for no other reason than that, more and more, automation is taking over the work of the human agent.

Yet, this change to greater emphasis on the machine, with the skills appropriate to its operation, very naturally means new human problems.

Readers of W. Somerset Maugham will recall his description of "the three cities" as they were affected by the great 19th century industrial revolution when the new machinery came into play to take over the labors of the human hand.

And while the machine today is a different machine, with new substitutes for power, the human problems will and do remain.

The corrective for much of the change which will eliminate displacements of various vocational habits is intensive education.

A writer in the Wall Street Journal many months ago said that "the responsibility for promoting education ought to be carried by big business \* \* \* and by small business as well." And with that we agree.

The objectives of the present educational program are new knowledge, educated manpower and an economic, social and political climate in which the modern world culturally and economically may survive with a minimum of dislocation.

It is the responsibility of the general public as much as the responsibility of the commercial and industrial interests to see that the schools are properly financed and conducted.

The President's formula for meeting the expenditure for the educational program seems to this paper to be eminently well thought out and conservatively provided for, but it won't have easy sailing.

The anti-segregation issue may again be introduced by Adam Powell in the name of the Negro race, who are as much, if not more, penalized by his amendment as the white children would be, should Powell succeed again in defeating the bill.

We were of the opinion that had it not been an election year the President would have given active leadership to the passing of the bill in the last session of the Congress. And he is likely to go all out in expressing the urgency of the measure.

He feels keenly about the bill and, if necessary, may take his appeal directly to the people, in which case it would have good prospects of being passed in spite of its controversial elements.

#### NORTH CAROLINA PUBLIC SCHOOL SURVEY, FALL 1956

(Issued by the State superintendent of public instruction, Raleigh, N. C.)

This release has been prepared as a means of supplying current information concerning two important phases of school operations—personnel and facilities. The data submitted here are based on reports from the 174 county and city superintendents in North Carolina and reflect the situation in their administrative units as of the end of the first month of the 1956-57 school year. Appreciation is expressed to the superintendents for their assistance and cooperation in making the study.

The tables and accompanying interpretations will command careful analysis. Some observations and deductions will reveal areas of growth and promise; on the other hand, there are some implications for improvement. Altogether, it is hoped that the report will prove useful in stimulating public interest and concern in behalf of better schools for all children.

CHAS. T. CARROLL.

*Personnel survey, North Carolina public schools—Fall, 1956*

	County administrative units			City administrative units			All administrative units		
	White	Negro	Total	White	Negro	Total	White	Negro	Total
1. Number of children enrolled at end of 1st month:									
Elementary schools.....	Number 284,497	Number 149,929	Number 534,426	Number 164,279	Number 83,795	Number 248,074	Number 548,776	Number 234,724	Number 783,500
High schools.....	115,118	35,484	150,602	53,544	22,736	76,280	168,662	38,220	206,882
All schools.....	400,615	185,413	586,028	217,823	106,531	324,354	717,438	262,944	1,000,382
2. Number of children enrolled at end of 1st month last year, 1955-56.....			586,289			304,955			990,344
3. Number of professional personnel employed (includes all teachers, principals, and supervisors):									
Elementary schools.....	12,740	4,842	17,582	5,964	2,425	8,389	18,724	7,467	26,191
High schools.....	5,201	1,443	6,644	2,232	947	3,179	7,433	2,360	9,793
All schools.....	17,941	6,285	24,226	8,216	3,372	11,588	26,157	9,827	36,014
4. Men employed.....	Number 3,810	Number 1,370	Number 5,180	Number 1,319	Number 774	Number 2,093	Number 8,129	Number 2,144	Number 7,223
5. Personnel holding less than class A certificate (the A certificate is based upon the bachelor's degree and prescribed professional courses):	Percent 21.24	Percent 21.80	Percent 21.38	Percent 16.07	Percent 21.67	Percent 17.77	Percent 19.62	Percent 21.75	Percent 20.20
Elementary schools.....	1,583 12.43	61 1.26	1,644 9.25	166 2.77	8 .19	171 1.90	1,740 9.34	66 .88	1,815 6.93
High schools.....	158 3.04	12 .83	170 2.56	18 .81	7 .74	25 .79	176 2.37	19 .79	195 1.99
All schools.....	1,741 9.70	73 1.16	1,814 7.49	184 2.24	12 .34	196 1.66	1,925 7.36	85 .86	2,010 5.58
6. Personnel teaching out-of-field (those teaching at a level or in an area in instruction other than that for which they were specifically prepared).....			531 2.19			154 1.39			685 1.93
7. Positions vacant at end of 1st month and the number of these vacancies due to teacher shortage (TS) and to classroom shortage (CS):									
State-allotted positions.....	62	12	TS CS 74 49 19	7	5	TS CS 12 9 3	69	17	TS CS 86 58 23
Locally paid positions.....	12	1	13 9 3	12	1	13 12 1	24	2	26 21 4
8. Personnel new in units this year:			Percent 3,678 15.18			Percent 2,031 17.23			Percent 5,709 15.85
Total teaching in units for first time <sup>1</sup> .....									
Brand new, inexperienced, just out of college <sup>2</sup> .....			1,380 37.52			734 36.14			2,114 37.03
Former teachers returning to profession <sup>1</sup> .....			831 22.59			362 17.82			1,193 20.90
Transfers from another unit.....			1,467 39.89			935 46.04			2,402 42.07
9. Personnel receiving local supplement (salary).....			3,598 14.83			9,313 79.00			12,906 35.94

<sup>1</sup> Percentage based upon total personnel.

<sup>2</sup> Percentage based upon total new in unit.

## PERSONNEL SURVEY

This is a survey of North Carolina's public schools as of fall 1950—a perspective of the personnel and facilities situations in the 100 county and 74 city administrative units. The data are supplied by the 174 superintendents and represent conditions prevailing at the end of the first month of school.

Some of the data are presented by race, and in all instances they are given by county and city administrative units. This is done to make the survey report as meaningful as possible and to permit study by comparisons wherever desirable.

## ENROLLMENT

At the end of the first month this year, 10,188 more students were enrolled than at the same time a year ago. Based on statewide totals this increase occurred altogether in the city administrative units. County administrative units had a slight decrease in enrollment as compared with that of the preceding year. Trends in preceding years would indicate that the student enrollment by the end of the 1950-57 year might well exceed 1,040,000.

## MEN EMPLOYED

The ratio of men to women in the State's teaching force is 1 to 5, the only significant variation being in the white schools in city administrative units where the ratio of men is approximately 1 to 6.

## TEACHER QUALIFICATION

Statewide, North Carolina's professional personnel are well prepared; 84,004 or 94.42 percent meet the minimum requirement of a bachelor's degree with the prescribed professional training. Slightly less than 1 percent (85) of the Negro teachers hold less than the class A certificate, whereas 7.86 percent (1,925) of the white teachers are in this category. In this respect, however, significant differences are noted between the teachers in city administrative units and those in county administrative units. County administrative units employ more teachers, white and Negro, holding less than the class A certificate than the city units. The percentages, county and city, for all personnel are 7.49 and 1.66, respectively.

Personnel teaching out-of-field is closely associated with teacher qualification. In this respect North Carolina also makes a good showing. For the State at large, less than 2 percent are teaching a grade or subject for which they are not specifically prepared. Again, a slight difference between county and city administrative units is favorable to the latter.

## POSITIONS VACANT

The survey reveals that 112 vacancies existed this fall. Seventy-nine of these vacancies were due to the fact that teachers were not available and 26 were due to the lack of classroom accommodations. The other 7 were due to miscellaneous causes, such as leave of absence. Eighty-seven of the 112 vacancies in the State were reported by county administrative units.

## NEW TEACHERS

Almost 16 percent of all instructional personnel are new in their present school units this fall. Transfers, or persons who moved from one administrative unit to another between terms, account for 42 percent of this group; "former" teachers, returning to the profession after a period of absence, account for 21 percent; and "brand new" inexperienced teachers account for 37 percent.

Of special interest is the number of "former" teachers returning to the profession. The ratio of "former" teachers to "brand new", or inexperienced teachers, is 1.1 to 2. Stated otherwise, 64 percent of the new teachers employed this fall are right out of college and 36 percent of them are "former" teachers returning to the classroom after a period of absence. This percentage of "former" teachers returning to the classroom lends some support to the belief frequently expressed that some of the loss sustained by the teaching profession each year is not permanent.

The 16 percent instructional personnel new in school units this fall is not to be construed entirely as turnover. Approximately 930 new teaching positions have been created to accommodate increased enrollments. Deducting these



new positions and using the total number employed for 1955-56 as a base, the percentage of teacher turnover is calculated at 13.6, or seven-tenths of 1 percent less than that recorded in a survey made in 1952-53.

Comparisons between county and city administrative units reveal little difference with regard to the employment of the new college graduate. County units, however, employ a greater percentage of "former" teachers returning to the profession after a period of absence. This is possibly necessary to compensate for the migration of experienced personnel from county to city units.

#### PERSONNEL RECEIVING LOCAL SUPPLEMENT

Salaries of 85.84 percent of all school personnel are supplemented beyond the basic State salary schedule. The percentage in county administrative units receiving supplemental pay is 14.83 and in city units the figure is 70 percent.

#### Facilities survey, North Carolina public schools—Fall, 1956

	County administrative units	City administrative units	All administrative units
1. Buildings operating double shift:			
Number of buildings	3	22	25
Children enrolled in 1st shift	307	2,547	2,854
Children enrolled in 2d shift	332	2,008	2,400
2. Students being taught in temporary quarters (away from school campus in buildings not owned by local boards of education):			
Number of administrative units	22	15	37
Number of pupils involved	2,093	1,651	2,736
3. Number of elementary and secondary instruction rooms (includes classrooms, laboratories, and shops, but excludes auditoriums, gymnasiums, libraries, lunchrooms, study halls, and multipurpose rooms):			
Available at beginning of 1955-56 school year	23,196	9,966	33,152
Abandoned for instructional purposes during the 1955-56 school year	595	81	676
Completed during 1955-56 school year	1,291	497	1,788
Available at beginning of 1956-57 school year	23,892	10,382	34,264
4. Additional elementary and secondary instruction rooms needed (as of fall 1956):			
Needed to accommodate excess enrollment	1,110	476	1,586
Needed to replace unsatisfactory facilities (exclusive of those needed to accommodate excess enrollment listed above)	2,642	639	2,281
Total needed to accommodate excess enrollment and as replacements	3,752	1,115	4,867
5. Number of instruction rooms scheduled for completion during the 1956-57 school year	1,424	652	2,076

#### FACILITIES SURVEY

This survey indicates that consistent progress is being made in North Carolina in improving school plant facilities. Last year 676 obsolete classrooms were abandoned and 1,788 new instruction rooms (classrooms, laboratories, and shops) were completed.

Despite this progress, however, approximately 7,200 children in North Carolina are housed in classrooms which accommodate two shifts daily. Twenty-five schools report a "double-shift" operation, 22 of which are located in city administrative units.

In addition to those children affected by a double-shift operation, approximately 3,700 other children are attending school in temporary quarters not owned by the board of education and located away from the campus.

The need for new facilities will continue to prevail due to increasing enrollments and the necessity of replacing obsolete structures. Although 2,076 instruction rooms are scheduled for completion during the 1956-57 school year, there will be a need remaining for an additional 2,791 at the end of the year. Prospective increases in enrollment next fall will increase this need still further.

In addition to classrooms, many schools need such facilities as libraries, lunchrooms, auditoriums, and gymnasiums.

Mr. BAILEY. The Chair would also like to point to the necessity of the committee being careful to see that testimony being taken by this

committee adheres to the committee's decision made when the subcommittee was set up that we limit the testimony to matters pertaining to school classroom construction.

It is also necessary that we endeavor to see that witnesses testifying before the committee do not give us misleading information.

In this connection the Chair would like to call attention to the testimony of Congressman DeWitt S. Hyde of Maryland on Monday of this week.

In Mr. Hyde's comments on the fear of Federal controls in education he mentioned the fact that the department of education prior to the decision of the Supreme Court in 1954 had tried to enforce segregation on counties in the State of Maryland and, while he did not for the information of the committee name the county, I have before me a copy of a news release in which is reported Mr. Hyde's appearance before this committee in which they say the county involved was Calvert County.

The Chair would like to make this comment that the president of the Calvert County Board of Education and the department of education that handled and administered Public Law 815 say that Calvert County never made an application for assistance under Public Law 815. It is the intention of the Chair to insert when they arrive statements from both the county school officials of Calvert County and the Federal Department of Education in order to correct the record.

Mr. FRELINGHUYSEN. Will the Chair yield?

Mr. BAILEY. I will be glad to yield.

Mr. FRELINGHUYSEN. I do not recall the exact nature of the testimony Mr. Hyde gave. I am reasonably sure he did not identify the county and I am reasonably sure he was requested to supply the committee with further information with respect to the situation. If that request was not made, I am sure that he too should be given an opportunity to supply the information in connection with his testimony a few days ago at this point in the record, Mr. Chairman.

Mr. BAILEY. I have no objection but it is the intention of the Chair to include that.

Mr. FRELINGHUYSEN. I think it quite probably should be included. I think it was a situation which was certainly left in the air and I think both sides should submit more material if that is available.

Mr. BAILEY. The committee at this time is honored to have with us one of our colleagues in Congress, Hon. Charles Bennett of Jacksonville, Fla., who is the sponsor of legislation pending before the committee.

You may further identify yourself, Mr. Bennett, and proceed with your testimony.

#### STATEMENT OF HON. CHARLES E. BENNETT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Mr. BENNETT. Thank you very much, Mr. Chairman.

I very deeply appreciate the patience and kindness of this committee in years past in hearing me on this and similar legislation. This is the bill which is in essence the same bill I introduced when I first came to Congress. The first speech I made on the floor of the House was made on this legislation.

Mr. Chairman, I would first like to express my appreciation to you and to the members of this committee for giving me the privilege of appearing here today. The theme of my testimony is that if the Federal Government is to aid the States and localities extensively on their school-construction problems, such aid should not fail to give primary and greatest assistance where there is a special Federal obligation.

There are three types of Federal responsibility which I believe should be given high priority in the allocation of these funds. The first is the obligation to assist in the education of children of service personnel and defense workers. In enacting Public Law 815 and Public Law 874, in 1950, Congress recognized its special obligation, due to removing property from local tax rolls and bringing an influx of children to be educated. If Congress enacts a school-construction bill which treats Federal impact areas equally with areas in which there is no such Federal obligation, it will be creating an inequality. For it is inequality to give these areas where there is a strong Federal responsibility the same treatment that is given to areas where there is no such responsibility.

The second type of Federal responsibility is the responsibility of the Federal Government to assist in the education of members of the Negro race, which arises out of American history. In article 1, section 9 of the United States Constitution, the Federal Government recognized the institution of slavery and provided for the importation of slaves for 20 years after the adoption of the Constitution. The Federal Government recognized and supported the institution of slavery by means of the Runaway Slave Acts and in various other ways. However, when, by action of the Federal Government, the institution of slavery was abolished, the Federal Government did not and has not accepted its responsibility to educate members of this race, brought into this country in accordance with Federal recognition and support of slavery. It is my contention that recognition by the Federal Government of its responsibility in this field of education is long overdue.

In this connection, I should like to call the committee's attention to H. R. 1062, my bill to give Federal school-construction aid on the basis of the number of Negro and Indian students in each school to be constructed under this legislation.

This brings me to the third area in which the Federal Government has a special responsibility, education of American Indians. Our failure to carry out our educational responsibilities to Indians has been a dark spot on our national honor. We should guard against a tendency to keep Indians as museum pieces, as a primitive uneducated people unable to cope with life as it is now lived.

So it is, gentlemen, that I strongly urge that the formula of any school-construction bill reported by this committee be based primarily upon these Federal responsibilities: The Federal impact responsibility, the responsibility to assist in the education of the descendants of those who were brought to this country and kept in slavery here with Federal sanction, and the responsibility to educate the American Indian in order that he may live as a self-reliant, self-respecting American in the civilization which we have brought to this continent.

Thank you again, Mr. Chairman, for permitting me to make these suggestions.

Mr. BAILEY. Mr. Metcalf?

Mr. METCALF. Mr. Chairman.

Thank you, Mr. Bennett, for a very excellent statement which is along the same lines as the statement you previously presented to this committee. I am intrigued by your proposal that the recognition of the existence of the institution of slavery and subsequent series of Supreme Court decisions and amendments to the Constitution have constituted an impact. That is the basis of your proposal that we should give special treatment to the Negro race.

Mr. BENNETT. The basis of my feeling that we should give assistance in education to the Negro race is based on the fact that the Constitution was an agreement between separate sovereign States which could have remained outside if they had desired to do so but which did come together under that specific piece of paper, the United States Constitution. Having come together that way, there was a Federal responsibility to do something about the institution of slavery which was a part and parcel of that agreement and a part and parcel of the Constitution of the United States.

However, the United States Government sought not by legislation to fulfill that obligation but sought instead by fire and sword to see to it that people who differed with them on the policy of slavery would have to carry the entire responsibility.

To my mind such action is not good contract law. It is not good moral law. It is not good law of any kind. The contract having been entered into, its consequences should have been considered by the Federal Government.

Of course, I am not in favor of slavery and never have been, but I feel that, since the contract was made that way, there was a responsibility on the part of the Federal Government to do something about these people that it not only allowed to be brought here but provided could be brought here and furthermore, did not free in any legal way but freed by sword.

Mr. METCALF. Did the State of Florida have a separate but equal school system prior to the recent decision of the Supreme Court that segregation was unconstitutional?

Mr. BENNETT. I am not a great authority on all the schools in Florida. I certainly think that the schools of Duval County, where I live, were equal, and they were separate.

Mr. METCALF. Do you feel that Florida was making an effort to actually have equal schools, equal educational opportunities in those separate schools?

Mr. BENNETT. In my home county which is one of the most populous counties of Florida, I do not think that anybody would deny that the schools, the high schools at least, and many of the lower schools, are equal for the colored people, which answers your question pretty definitely. This was long before the Supreme Court decision.

Mr. METCALF. So that, when the Supreme Court handed down a decision on the concept of separate but equal, which we had accepted prior to that decision and upon which several of the States had relied, that also created a situation that was created almost entirely by Federal action.

Mr. BENNETT. Well, I do not agree with the United States Supreme Court decision and therefore I am trying to keep myself from inadvertently making some statement which might imply that I thought

the Supreme Court decision was constitutional. I do not think it was constitutional and do not want to be led into an assumption that it is.

Mr. METCALF. I understand that you do not agree with the Supreme Court decision and I take it that you did not agree with the previous Federal action which you characterized as "by fire and sword"; but both of those are accomplished facts and both of those had an impact and resulted in a change of circumstances within the States as a result of Federal activity and what I am asking is this: Is there not an additional reason for Federal aid and Federal assistance because of this change that was brought about by a new interpretation of the Constitution?

Mr. BENNETT. I do not think the State of Florida experiences any new problem with regard to school construction as a result of the Supreme Court decision.

Mr. METCALF. There is no new problem.

Mr. BENNETT. There is not in my opinion a new problem as a result of the Supreme Court decision in Florida.

Mr. METCALF. You have adequate schools. It is just a matter of changing the use of those schools that heretofore were separate but equal if you are compelled to comply with the Supreme Court decision; and I am trying to get it down so that you can answer my question. You have additional school facilities down there. Is that the point?

Mr. BENNETT. I think we have a pretty good school system in Florida and I think that Florida is thoroughly able to take care of its own schools. We are not a poor State and we are not a wealthy State, but I think that we can very readily take care of any school situation that is likely to occur and certainly the general bill which was considered actively last year could not be any great impact upon our schools because it only provided for \$7 million or so for the State of Florida.

We have 67 counties. My own home county gets an average of somewhere in the neighborhood of a million dollars a year from Federal impact legislation and I have never heard anybody even suggest that the schools of Duval County would close or be seriously injured if we abolished the impact legislation.

I think the impact aid laws already passed are good legislation and very much welcome them, but I have never found any tremendous enthusiasm on the part of my constituents for these laws. There is no great opposition to them, but no great enthusiasm for them. Yet we get almost a million dollars a year under the program and under the new bill which was being considered last year the whole State of Florida would not get but about \$7 million.

I personally believe that it would be a much better thing if our country would help the States that are really in need rather than having a national system of education or a national system of aid to schools. I think it would be a much better program if we went to the 6 or 7 or 4 or 3 States which have a fairly serious problem. I think it would be better because I think we would have more assurance that such a program would come to an end, for one thing. One of the problems about starting one of these programs is, when does it ever end, and is it going to become a mammoth activity, is it going to take away from local people something that they have been doing for generations and centuries in this country?

There would be a tendency for a nationwide program to grow and eventually take over the school systems from the national level, and therefore, it would be much preferable if we have a system of only aiding the very few very needy States in which I do not think the State of Florida would be included.

I, however, do not have a closed mind and that is one reason I did not particularly want to get too deeply into this. It is conceivable to me that this committee might be able to bring out a bill of a nationwide scope that I would feel would have sufficient protection against Federal controls, but I have very great fears that any system we established on a nationwide basis would have a tendency to grow and grow through the generations to come until eventually we would have a national system of education. I think that would be dangerous because then there would be a place in government where people could infiltrate with strange ideas of morals, of government, and so forth, and it might endanger our very security.

Mr. METCALF. I yield to the chairman.

Mr. BAILEY. Mr. Bennett, you have mentioned Public Law 815 and expressed appreciation that the Government had contributed something like a million dollars to Duval County.

Mr. BENNETT. I would say it is between \$750,000 and \$1 million a year average for maintenance and construction ever since this law went into effect and I do express appreciation to Congress for that law; but I do not think it is a major portion of our education system.

Mr. BAILEY. Let the Chair finish the thought that occurred to him. I think you will find in Public Law 815 far more controls than you will find in some of the proposals that the committee is considering now, most certainly more controls than you will find in whatever type of legislation this committee reports; so that, if you are opposing Federal grants in education because of Federal controls, I am a little surprised that you have not opposed and turned back this money from Duval County to the Treasury.

Mr. BENNETT. No. 1, I would have no authority to turn back the money from the Treasury. No. 2, I asked the committee to come to my own county to look into the situation before this legislation, Public Law 815 and Public Law 874 was enacted. I have always favored that legislation. I merely said that I do not think that our school system would fail to function and I do not think it would be any terrible blow to our school system because after all it is a small percentage of what it takes to run the schools in my county.

Mr. BAILEY. Do you know of any instance in which there has been undue Federal activity in the administration of Public Law 815?

Mr. BENNETT. The protection we have under 815 and 874 is the fact that, if it was found obnoxious for these regulations to be impaled upon the school system, we could withdraw. I have heard some complaints about them but not of the type that worries me. The type that worries me is the thing of affecting the minds of people, affecting textbooks and things like that. None of that has come under Public Law 815 and Public Law 874. The thing that worries me about a nationwide system of education is that I fear that schools will be turned over to Washington, that ultimately the program will grow large, and we will not be able to stop it.

There is no such danger in Public Law 874 and Public Law 815, because of the fact that, if Duval County felt that it was hurting their

States rights or local rights, all they would have to do is to stop being under the program, which is not true if you have a nationwide system of education. Then the pressure would be very much greater because then you would have tremendous national taxation on every living soul in Duval County and elsewhere throughout the State of Florida to take care of the schools.

In other words, schools would be run nationwide. The taxes would be arrived at nationwide to run the schools. Therefore, a community would have great difficulty in withdrawing from the system because, if they did they would have to have double taxation from the standpoint of taking care of the schools.

Mr. BAILEY. May I call the attention of the witness to the fact that this subcommittee is only authorized to deal with school construction legislation. You have mentioned the fear of the effect it would have on the minds of the children and the training of the children. That does not enter into this legislation at all. The Chair cannot conceive where building a new modern classroom for the benefit of the boys and girls who happen to be attending school in that classroom is going to in anyway affect the course of study that might be offered, and that question under the general Federal aid for education is not involved in this legislation at all. You cannot conceivably say that sending them into a classroom built partly with Federal funds is going to in any way affect their minds.

Mr. BENNETT. I have letters in my file from people pretty high up in education stating that as soon as they get the Federal construction bill they hope to get it greatly expanded because they think it is a drop in the bucket and does not amount to anything; and after that they hope to make a heavy pitch for teachers' salaries because they think that is a greater need than school construction but people would fear that more and therefore they are going to wait and get the school construction first.

Now, maybe I am unduly cautious for a man of my relatively tender years in this august body. I even voted against establishing the Department of Health, Education, and Welfare because I thought that it offered a promise to the American people which was contrary to the explicit wording of the United States Constitution. In other words, when we say we have a Department of Health, Education, and Welfare, I think many people can readily say, "It is a fait accompli. We are in that business. That is what the Federal Government is supposed to do. We have a department in that field."

As a matter of fact, I think, under the Constitution most of the things which would logically fall under the language of health, education, and welfare, were supposed to be, under our Constitution, the authority and responsibility of the local governments, to wit, the States.

Mr. BAILEY. Does the gentleman from Florida hold in equal reverence all the provisions of the Constitution?

Mr. BENNETT. Well, I am no great scholar. I do not know of any that I particularly object to.

Mr. BAILEY. I am not accusing the gentleman from Florida of assuming that attitude, but some folks come in here and they love everything in the Constitution except the welfare clause.

Mr. BENNETT. When I was in law school studying the Constitution, the welfare clause was not considered to be a source of power in the

Federal Government when the Federal Government was not explicitly given some other power to cover the thing sought to be done. Maybe it has been changed in later days, and I have not practiced law in 10 years, but that is what it was back yonder.

Mr. BAILEY. The Chair yields back to the gentleman from Montana.

Mr. GWINN. Would you yield?

Mr. METCALF. I would be glad to yield.

Mr. GWINN. I think what the gentleman from Florida said and what the Chair said about the welfare clause raises a very vital question. Madison and Jefferson in their time had the same groups clamoring for the action by the Federal Government under the welfare clause that my good chairman proposes now; namely, that we should act under the welfare clause and get appropriations to do good things.

Madison wrote at length saying that, if we had ever intended to create a welfare state, we should not have used such awkward language as is in the Constitution, and thoroughly condemned the approach of using the Federal Government as a welfare arm with power to bring about welfare of any kind.

Now, I just want to compliment the gentlemen. Although you have been out of practice for 10 years you are talking the same language that Madison talked in his time.

Mr. METCALF. May I ask another question? I have a bill which is unfortunately not pending in the Education and Labor Committee but in the Interior Committee, for scholarships for Indians after the high-school level. I am confronted with the problem of finding out just what an Indian is. Do you have any ideas on that?

Mr. BENNETT. Well, I think it is well to have some definition on it. I do not know if the Federal Government is bound by any treaties in this field or not, but it would seem to me that one-eighth blood is a pretty good criterion which has been generally used.

Mr. METCALF. If we adopted something like that for your legislation we would have to include a definition.

Mr. BENNETT. I think you would find that any State in the Union which has many Negroes has such a definition with the possible exception of New York. I am not sure.

Mr. METCALF. Would you leave it up to the States?

Mr. BENNETT. I think they all have the same definition, which is one-eighth and this bill provides for one-eighth.

Mr. METCALF. You know the Indians are not so confined with one-eighth. For instance, you know about the Osages who have head rights to go down to one two-hundredths and so forth, and they claim if they are even one two-hundredths they are an Indian because they get certain benefits of certain oil rights.

Mr. BENNETT. Maybe you would have to write that in this legislation if you passed it. I rather doubt it. In the first place, I would suspect that this Indian part of this bill would be mostly used in places where the Indian population is a majority anyway.

Mr. METCALF. The Indian part of the bill, as far as the gentleman from Montana is concerned, as you understand, intrigues me much more than the other part.

Mr. BENNETT. It is probably because you are more familiar with the Indian problem. I am pretty familiar with the Negro problem. I would consider it a signal success and a terrific pleasure to myself



if the gentleman would introduce a bill which included the Indian part of this bill and I would be very happy to back that bill.

Mr. METCALF. I yield to the chairman.

Mr. BAILEY. The gentleman from Florida is probably aware of the fact that we enlarged the provisions of Public Law 874 to permit the attendance of Indian children in the white schools. I think we made a decided step in the right direction. I, too, have had my misgivings about the fact that we have made wards of the Indians for the last 100 years and still failed to educate them.

Mr. BENNETT. That has not worked. I am a very romantically inclined individual and I would just love to think that Indians could live just like they did 1,000 years ago and be happy in that sort of circumstance, but I have just come to the conclusion myself that the sooner they shoulder the ordinary responsibilities of American citizenship, if they want to do so, the better it will be for them and for everybody.

Mr. BAILEY. I think the best illustration of that is in the Civilized Tribes of Oklahoma where they were given an opportunity for education and they have developed some of the highest type citizenry in the State of Oklahoma.

Mr. BENNETT. Of course, I will say that I think if they want to live in the swamps of Okeechobee, and so forth, if they want to live that way, for Heaven's sake, we ought to let them do so; but I think we should give them every opportunity to better themselves, as we see bettering themselves, that we possibly can.

Mr. METCALF. I am going to turn the time back to the chairman, but I want to thank the gentleman from Florida for especially the last portion of your testimony with your offer of aid, and I assure you that it may be accepted and maybe we can get together on a bill.

Mr. GWINN. Mr. Frelinghuysen, I would like to ask a question or two afterwards. Go ahead.

Mr. FRELINGHUYSEN. Mr. Chairman.

I am sure that we have all been very much interested in the testimony of the gentleman from Florida. To get back to your basic purpose in coming to us this morning, as I understand your testimony, you are arguing that the Federal Government should distinguish between American children on the basis of the color of their skin; that we should recognize a special responsibility to the descendants of slaves; in other words, that we should discriminate against white children, is that right?

Mr. BENNETT. Well, the word "discrimination" of course, is a word which is a nasty word, a smear word in common use.

Mr. FRELINGHUYSEN. If you do something for one group and not for another I am willing to say that you are discriminating against the other group. I am wondering if we are talking about roughly, and I am guessing at this, 1 out of every 10 children in the country who is a Negro. If we should add to that those who have some Negro blood, we would perhaps get an even higher percentage and if, as you argue, we should accept a special responsibility only for those children, because their ancestors 100 years ago happened to have been slaves, it seems to me that we would certainly be discriminating against the other children.

Mr. BENNETT. I am 100 percent white and I do not believe anybody will accuse me of being insensitive to the needs of white people. I

know you are not trying to trap me and you would not because you are too fine a man to do that. I think the Federal Government has a responsibility to assist in the education of colored children in 1957. I think it has a responsibility with regard to Indian children and I think there are special responsibilities just as in the field of impact; I do not think it is discrimination against white children for the Federal Government to realize its responsibility to help Negro and Indian children achieve what they should in the field of education.

Mr. FRELINGHUYSEN. Again, I do not mean to antagonize the witness by using the expression, but it seems to me that, if you can recognize that there is a responsibility that results from the fact that the children we are talking about had ancestors who were slaves 100 years ago, that you might easily find that there is an equal responsibility for those who did not happen to have that happy accident of having slaves as ancestors. Why not take a look at whether there is a general responsibility of the Federal Government to help communities help themselves and provide more adequate facilities for children regardless of their color? I would be reluctant to accept color as a criterion for determining whether there was a responsibility.

Mr. BENNETT. Well, you may call it color. I have not said a whole lot about color. I would not have any great objection to having an amendment saying that anybody who had a white ancestor who was a slave in this country could be involved in this, but my objective is not the question of color. It is the question of what happened.

Our country was founded by independent nations or sovereignties which came together under a contract, to wit, the Constitution and that Constitution provided for slavery. It provided that slaves should be imported into this country until the year 1808 specifically in the Constitution. That was never ended in any constitutional manner. That provision was never handled in any way except by a sword. It seems to me that the Federal Government had a responsibility by doing that. Whether it was wrong or right and it certainly was wrong for them to have slavery, they did have that arrangement and the Federal Government did have the responsibility and the Federal Government did end slavery and the Federal Government did not provide for the education of slaves and their children and I think that responsibility has haunted us down through the years and I would like to see colored people more educated and having a better chance in life.

Mr. FRELINGHUYSEN. Again, what I think you are saying—and correct me if I am wrong—is that the abolition of slavery created an impact.

Mr. BENNETT. The fact of slavery, not its abolition.

Mr. FRELINGHUYSEN. Which the Federal Government should recognize 100 years later by making special provisions for the education of those descendants.

Mr. BENNETT. The fact, not the abolition. The fact and abolition of slavery are part of the whole picture. Particularly in the way in which it was done under the law it makes a particular responsibility on the Federal Government to do something about these people.

Mr. FRELINGHUYSEN. I would be inclined to feel that there would be considerably more responsibility for the children of immigrants. Does that not create a more immediate impact?

Mr. BENNETT. They were allowed to come as a privilege. These colored people were brought here in chains.

Mr. FRELINGHUYSEN. But the fact that they were brought here in chains 100 or 180 years ago has little relevance to today's problem toward the education of their descendants whereas the fact that immigrants came with children or had children when they came may have created special problems.

Mr. BENNETT. Immigrants came here as a privilege.

Mr. FRELINGHUYSEN. Whether it is a privilege or whether 100 years ago the children's ancestors were slaves seems to me neither here nor there so far as the Federal impact created. I would like to see you recognize that there may be a general responsibility on the part of the Federal Government for children regardless of the fact that their ancestors were slaves or immigrants.

Mr. BENNETT. I think we ought to think about how the Constitution was drafted, and if we want to change the Constitution we ought to think about how it is democratically provided in the Constitution as to how we change the Constitution. I am at a loss to know myself how the Congress in 1957, and how the Supreme Court, should take upon themselves changing the basic idea of government when there are several good ways of amending the Constitution. If we are going to amend the Constitution let us amend it, but education is not a Federal function under our Constitution. It is a local function.

Mr. FRELINGHUYSEN. I do not know whether you think that the proposals that we are considering do violence to the Constitution or not, but there is no attempt so far as I know to change any of the traditional methods whereby the educational system of this country has been handled. It is a method whereby communities and States can build more classrooms in very small part with direct Federal grants as one aspect.

Mr. BENNETT. I think I have tried to say what I feel about that. I did not come here to give testimony in opposition to Federal aid to education. I have almost been made such a witness by the questions asked me because obviously I am not convinced that anyone can come forth with a bill which is not open to Federal control; but my mind is not closed, and I hope that you can come forth with some bill which would not ultimately cause taking over of the schools by the Federal Government.

I would much prefer aiding the needy States to a more general bill.

Mr. FRELINGHUYSEN. You realize how difficult it is to pinpoint the need to certain States and how difficult it might be as a practical measure to get the representatives of 48 States to assist only those areas of need. The need may exist in the so-called wealthy States.

Mr. BENNETT. Why not change their own State system?

Mr. FRELINGHUYSEN. That is why we are setting up a general program in 48 States to make all 48 States do something for themselves.

Mr. BENNETT. Why not have them do it for themselves?

Mr. FRELINGHUYSEN. They are doing it for themselves.

Mr. BENNETT. Why have us do it?

Mr. FRELINGHUYSEN. Because we are accelerating the process.

Mr. BENNETT. Then you are opening the door.

Mr. FRELINGHUYSEN. Not if we get a sound program and I think you have probably helped us get on our way toward a sound program. I do not think that because you take one step it must lead to a second

and third one that you do not take. Again, it is perhaps a basic difference of opinion that we have talked about. I have certainly been much interested in your testimony.

Mr. BENNETT. I want to repeat that I am openminded. If you can work out some system where you have a real protection against controls I cannot see any basic reason why you should not aid schools any more than you aid a lot of other things. However, you must bear in mind that some of the things that we do aid are in the Constitution for the Federal Government to do so it is not exactly a matter of aid when you get to highways. That is a fundamental Federal responsibility.

Mr. FRELINGHUYSEN. You are worrying whether we are doing violence to the Constitution. Yet you are arguing about Federal aid to a substantial portion of children in our country because if 1 out of 10 children is a Negro a great many school districts would be ready to qualify for Federal aid so that in effect if we could set up a well-conceived plan that would do no violence to our traditional method.

Mr. BAILEY. We thank the gentleman from Florida.

Mr. BENNETT. Thank you.

Mr. GWINN. Mr. Bennett, this question of control, as you know, is the disturbing element in the minds of many of us. I think in the great first experiment in Federal aid, which was power in Tennessee, those who feared collectivism and control and management by the Federal Government did not even get a hearing. They were laughed out of court that you could get any control out of giving a powerplant to Tennessee.

Now we have a survey less than a year old showing that the people in Tennessee, like the Indians, have become completely dependent upon the Federal Government appropriating money every year for the last 23 years to build powerplants in Tennessee, and that has manifested itself in a very unexpected way.

Compared to the other Southeastern States Tennessee has dropped back 2, 3, and 4 places, compared to its place before this gift, in agriculture production, in manufacturing, in retail sales, postage receipts and several other measurements that the United States Chamber of Commerce put on Tennessee in making a comparison. Why?

In the first place, the manufacturers from New England have not gone to Tennessee as we thought they were going. They cannot depend on what Congress is going to do in making appropriations. That is a kind of control in reverse, but nevertheless the economic, the political, even the ethical, life of the people is under control and influence of a vital character by the way it acts in making appropriations and managing what it does just as in the case of the Indians.

Now, in education, if the communities are waiting, and I know many of them in my State are dragging their feet and waiting on Federal action to build schools, are they not controlling in some vital way the development of their children? Are they not being subject to control by the Federal Government even in its promises of what it is going to do for schoolhouse construction?

Mr. BENNETT. In the first place, the bill which was considered last year is so infinitesimal compared to the annual expenditures of the State of Florida in the field of schools that it is almost nothing. Yet it is involved in a \$2 billion program, and so what is the program? To

be a real thing in Florida, how big does the national program have to be? I do not know and this is a guess, but I understand it has some factual foundation. I understand it would have to be something between \$35 billion and \$50 billion to be a real program in Florida.

Mr. GWINN. Do you have any doubt that almost every school district that is going to build school buildings is calculating what they are going to do in terms of what the Federal Government may do?

Mr. BENNETT. As far as controls are concerned, I think they would come later and I am hopeful they can be stopped. I do not know how they can be stopped.

Mr. GWINN. Once you started shifting responsibility for the Indian from the local community to the Federal Government it was a slide from there on, was it not, just a sliding operation of taking complete control over the Indian?

Mr. BENNETT. I do not know what the trouble of our Indian system is. I guess somebody from an Indian State would know more than I would about it. I think it is a sad commentary upon our ability to help our fellow man who lives next door.

Mr. GWINN. I am convinced that it would be just as sad for all of our children if the Federal Government became responsible for their education as it is sad for Tennessee where the Federal Government is responsible for supplying electric power in Tennessee, or for the farmers taking their subsidies or for the people who are depending on housing from the Federal Government. It is just the same principle involved.

Mr. FRELINGHUYSEN. Will the gentleman yield briefly?

Mr. GWINN. Certainly. I am going to stop.

Mr. FRELINGHUYSEN. Again, if there were any basic shifting of responsibility to the Federal Government we might all agree that the Federal program should be viewed cautiously and perhaps not enacted. If the basic purpose can be achieved by underlining the local responsibility and the State responsibility by a program which includes admittedly Federal grants-in-aid, might it not be accomplishing the very thing that we want to see: A strengthening of that local responsibility? In other words, under the administration program \$6,300,000 would be made available in Federal funds in grants-in-aid. In order to qualify for that your State would have to put up \$5½ million, roughly, so that there would be a participation by the State in matching in order to qualify for the funds. In addition to that, there would have to be a State plan to see that those funds go to the areas that need it most. There would be an encouraging of the awareness of the State that it has problems, that it has to provide some money to help meet those problems and that it has to set certain priorities for the school districts in order to qualify. In addition, they have a program whereby the Federal Government could purchase the bonds of school districts that otherwise could only issue them at unreasonable interest rates.

They might provide assistance in the servicing of debt to a State financing authority that would issue bonds and thereby perhaps make it easier for the individual school districts to build their own schools. In no case is there any shifting of responsibility away from the local level. It very definitely has to be done at the local level if it is going to be done at all. The Federal program would emphasize that fact in my opinion, not weaken it.

Mr. BENNETT. When I look at this legislation I look at other political actions of our Federal Government. I look at the highway system and aid to the aged and things like that. All those things are designed to increase State participation, but do they, as a matter of fact? Has the trend not been definitely the other way. As a matter of fact, has the tendency not been complete and continuous toward the Federal Government getting deeper and deeper into it, both from the standpoint of dollars and from the standpoint of control in all of these programs?

Mr. FRELINGHUYSEN. I do not know which program you are suggesting is comparable.

Mr. BENNETT. How about old-age assistance?

Mr. FRELINGHUYSEN. That is not a national emergency program. This is set up because there is a serious nationwide shortage and if we can do something about it we are going to have it end.

Mr. BENNETT. I will bet the speeches on the floor of the House when they inaugurated old-age assistance were that it was an emergency program.

Mr. FRELINGHUYSEN. I doubt it. If there is a need when this is over, that may be another problem but because there may be other problems in the future, in my opinion we do not need to slight it today.

Mr. BENNETT. I did not know that anyone has said it is a problem nationwide.

Mr. FRELINGHUYSEN. President Eisenhower has told us.

Mr. BENNETT. For instance, I thought the White House Committee said there was no emergency in any State but 2 or 3.

Mr. FRELINGHUYSEN. Again, we can argue about the specific phraseology of the Committee, but there is no doubt that there is a need. We can argue about the size of the need.

Mr. BENNETT. There were words printed and issued in the press. There is no doubt about what they were. There were commas and periods. I read them and did not see any ambiguity.

Mr. FRELINGHUYSEN. There was a very definite need pointed out in the White House Conference.

Mr. BENNETT. There was no emergency need pointed out on a nationwide basis.

Mr. FRELINGHUYSEN. It is because it is an emergency that we are talking about it.

Mr. BENNETT. My understanding of that White House Conference was that there was no emergency need with regard to any schools except in a few States.

Mr. FRELINGHUYSEN. That is not so.

Mr. BENNETT. Then I am misinformed if the gentleman is correct.

Mr. METCALF. Would the gentleman yield?

Mr. FRELINGHUYSEN. Yes.

Mr. METCALF. In the opinion of this member of the subcommittee there is an emergency need shown in districts in every State, in some school districts, and the differences between districts in even some of the wealthier States on a per capita basis are greater than the differences between the States.

Mr. BENNETT. Of course those States can iron out their own troubles within their boundaries.

Mr. METCALF. But they have not, and it is an emergency situation. It is an emergency situation every year for every boy and girl that

starts about the first grade and has to go to that grade in a crowded or obsolete or a substandard classroom. This is an emergency for that child.

Mr. BENNETT. You have done a great deal toward instructing me. I came here to give you my views and they are probably worthless, but I gave them to you.

Mr. GWINN. Just a moment, Mr. Chairman. Here is a good colleague and I do not want him to go away from here laboring under a misapprehension about what the facts are. In my point of view and as I read the testimony, we have had a thorough dose of Federal control of our thinking from the United States Office of Education that has broadcast to this country a schoolhouse shortage of 159,000 classrooms and he in turn has handed that figure to the President of the United States and he has broadcast it and we have had a thorough case of the Federal Government telling us what our school classroom shortage is; and I think before this committee gets through in the next week there will not be a shred of reliability left in their representations when the States get through telling us what a job they are doing; just as you indicate, I think the facts are going to show you have a shortage in 4 or 5 States.

Mr. BAILEY. The Chair thinks that the gentleman from New York is engaging in some wishful thinking.

Mr. BENNETT. Well, I want to thank this committee for their kindness in letting me be here. I am sorry I trespassed so much on your time, particularly in a field in which I do not think I am qualified. Bear in mind that I did not come here to testify on general education.

Mr. BAILEY. I will ask one question to clarify the record. Do you desire the committee to consider your proposal as a part of the general Federal aid to classroom construction or was it your thought that we consider it separately?

Mr. BENNETT. I think this committee can better make up its mind on that. I would somewhat prefer it separately because I am not convinced that any general bill can be brought out that I would not feel would have dangerous problems involved in it nationwide. I cannot see any problems in the bill which I have introduced but there may be some.

Mr. BAILEY. Speaking facetiously, would you desire that the committee keep controls out of this legislation of yours?

Mr. BENNETT. I welcome any provisions like this but I do not think the danger is there because I pointed out the protection in the bill which I have introduced and the protection in giving aid only to a few States is a more realistic protection than anything you can write into the bill. Because, if you give it only to a few States, and this bill would not give substantial assistance to any great number of States, then those States can withdraw from the program if undue controls were put on them, but if you have a nationwide program they cannot withdraw.

Mr. BAILEY. They can still be elected.

Mr. BENNETT. That is like saying a guy can make a choice of jumping off one building or another. That is not a happy choice.

Mr. BAILEY. We would not take your money.

Mr. BAILEY. Thank you. The committee will now hear Mrs. Edmund D. Campbell, representing the County Council of PTA of Arlington County.

Mrs. Campbell, I understand, is a former member of the Board of Education of Arlington County.

**STATEMENT OF MRS. EDMUND D. CAMPBELL, REPRESENTING  
EXECUTIVE COMMITTEE, ARLINGTON COUNTY COUNCIL OF  
PARENT-TEACHERS ASSOCIATIONS**

Mr. BAILEY. Will you further identify yourself?

Mrs. CAMPBELL. The name is Mrs. Edmund D. Campbell, and I am representing the executive committee of the County Council of PTA's and I was a member of the Arlington County School Board for 8 years. My term expired and I did not run for reelection and since this time the State of Virginia has taken from us the right to elect a school board.

I wanted to speak today for Federal aid to school construction and I want to make two special points, please:

First of all, I want to speak for Federal aid to school construction because for 8 years I was on the Arlington School Board and knew what it was to have the assistance of the Federal Government in the building of absolutely essential schools. I want to testify that at no time was there any attempt by the Federal Government to control our schools.

I would also like to testify that my own children—and I have twin sons, one graduating this year from Washington and Lee and one graduating next year—and since my own children were able to go to high school on a full-day instead of part-time basis and therefore graduate from an accredited school I feel that this should be the privilege and opportunity of every child in the United States and I feel that the Federal Government has a real responsibility, particularly to these secondary-school children who are now pouring into the secondary schools and who, if they cannot get their education, are going to be dependent upon the community. I feel these children, if uneducated, could destroy the very society that we are trying to build. I feel this is an emergency situation and should be considered as such. I feel it is a real emergency and I believe in Federal aid to school construction for this emergency situation.

The children are here. The communities and the States cannot out of local funds provide the necessary classrooms.

Then I would like to say that I attended the White House Conference on Education as one of the representatives from the State of Virginia. At the last minute the last question concerning how all of this wishful thinking kind of program that we had been talking about was going to be financed, was changed so that the answers could not indicate anything significant. In spite of all of that, it was my understanding from the report that was brought, and certainly from the group of 10 men who sat at the same table with me from school systems all over the United States, that it was the consensus of opinion of the White House Conference on Education that we needed Federal aid to education for school construction.

It was my understanding that the difference in opinion grew out of how much and the formula under which it would be administered, but certainly as the report was made and as the people talked in the groups, the feeling was that here is an emergency situation and that



a child is a citizen of the United States whether he is born in Virginia or California or New York State or Florida or in any other State, and the Federal Government, which has the right and does collect the larger amount of the taxes of this country should make a contribution to an emergency situation for school building.

Mr. BAILEY. Does this conclude your formal testimony?

Mrs. CAMPBELL. This concludes my formal testimony.

Mr. BAILEY. Mr. Metcalf?

Mr. METCALF. Mrs. Campbell, I do not understand just when you left the Arlington School Board. How long ago has it been since you left?

Mrs. CAMPBELL. Almost 2 years. I left when my second 4-year term expired in December 1955.

Mr. METCALF. Two years?

Mrs. CAMPBELL. Yes, sir.

Mr. METCALF. Was there a Dolly Madison Junior High School in Arlington County that you had supervision over or know about?

Mrs. CAMPBELL. Yes; there was a Dolly Madison Junior High School.

Mr. METCALF. Can you tell us something about the particulars of the closure of that Dolly Madison Junior High School?

Mrs. CAMPBELL. It has never been closed.

Mr. METCALF. It was not closed for a period of 1 year?

Mrs. CAMPBELL. It was not closed for 1 year.

Mr. METCALF. Why was it not used?

Mrs. CAMPBELL. There are a good many reasons why it was not used. Do you know the location of it?

Mr. METCALF. I have not seen the school.

Mrs. CAMPBELL. You should go and see it. Then you would understand some of the problems. The Dolly Madison School building is located on the edge of Shirley Highway. There is no access to it except by school bus or private transportation. The Shirley Homes development across Shirley Highway went out, was done away with by the United States Government, if you remember.

As I say, you have to go and see this in order to understand it. The school building was being used for elementary school pupils until the Government did away with those low-cost housing homes. Then there were no pupils there to come to the school. Therefore, it did not make sense to keep it open for elementary schoolchildren. The number of junior-high children at that time could be taken care of in the new Wakefield High School which had been built to take care of junior and senior high school pupils in the beginning, and then to drop off the junior-high group as the senior-high numbers increased. You see, we are in a situation where we have many more elementary schoolchildren even now than we have junior and senior high school pupils. Therefore, we had to build with a view to taking care finally of this very large senior high population. There was one year therefore, when there were not enough elementary school pupils to make it economical to use that building for two classes. That is what we would have had there and to run a whole school for two classes, we felt, was something we could not do.

Therefore, we took those children by bus to elementary schools that were already operating and then after that 1 year that school went back into operation and has been operating ever since, and it

is full this year with seventh grade pupils because there is no other place for the seventh grade pupils to go.

Mr. METCALF. They come from other areas?

Mrs. CAMPBELL. They come from all over and are brought in by bus.

Mr. METCALF. I think that is all, Mr. Chairman. Thank you.

Mrs. CAMPBELL. You are welcome.

Mr. GWINN. I wonder, Mrs. Campbell, if you think this committee—and you see how very human we are——

Mrs. CAMPBELL. Yes, sir.

Mr. GWINN. Can you imagine 51,000 school districts, if they all had something like the Dolly Madison School problem to face in order to work it out in each district?

Mrs. CAMPBELL. Why should you imagine it? We have States and every State has a department of education and every department of education has employees who work in the schools and every county has its own school board.

Mr. GWINN. All you want us to do is draw a check?

Mrs. CAMPBELL. No, sir.

Mr. GWINN. Do you not want us to be responsible when we send that money out to your district in Arlington as to whether or not you close up and forget Dolly Madison and build a new building with your funds?

Mrs. CAMPBELL. I must say that I believe very firmly in our democratic way of life and in our democratic system.

Mr. GWINN. And in responsibility?

Mrs. CAMPBELL. May I finish? And I believe that local officials on the whole who are elected—I do not feel quite the same way about some of those who are appointed, but I do feel that local officials who are elected, and we still have many elected—have such a direct responsibility to the people that they are not going to be wasteful of their money and I would like to say this to you, because I feel it very strongly. I am a taxpayer and I am becoming allergic to people who stand up and say "I am a taxpayer." I am a taxpayer and because I am a taxpayer I want to put first things first and I want to tell you, gentlemen, I feel this so strongly because I do not believe that any amount of money that we spend on other things in this country is going to be worth anything to us if we lose our young people and you cannot take children out and string them up on a clothesline and say "Now you all just wait until we build buildings for you and then you can come back to school."

The time is now. I could have sent my boys to private school if I had wanted to send them to private school. I could have made the sacrifice and done it. I did not want to do it but I could have had I wanted to do it, and this is the privilege many people have and I think they should take it.

I believe that we are living in an age in this country where if we do not educate our children in the public schools there is no way in which we can protect our heritage, absolutely no way.

Mr. GWINN. I think when we get on that score we all get sunk. We all feel the same way as you do about it. However, we are talking about taking Federal money.

Mrs. CAMPBELL. Also, I resent the term "Federal money." I hear people stand up and say it. I live in Virginia and I have been to

Richmond. I went to Richmond to the State conference on education and I heard the people in Virginia talk and say the Federal Government does this and the Federal Government does that and I say, "And who is the Federal Government? Are you not the Federal Government? I am the Federal Government. It is my money that has gone into this."

Mr. GWINN. That is what I want to get to. I think we ought to keep our money at home and spend it ourselves but you have not done that. You are getting Federal money now in Arlington County.

Mrs. CAMPBELL. Yes, sir; and that is what I have come here to say "thank you" for, and say we have had no Federal control.

Mr. GWINN. Our money is going into things like this and that is where I ask the question, why?

Mrs. CAMPBELL. Why what?

Mr. GWINN. Why the Federal Government should not exercise some control about how this money is spent.

Mrs. CAMPBELL. Because—

Mr. GWINN. I want to ask you about something specific.

Mrs. CAMPBELL. You want to talk about this testimony yesterday; is that it?

Mr. GWINN. No, I just want to ask you if you think this committee should draw a check to your school board in Arlington and in the budget this very year see them spend \$30,000 for telephone services? Is that because you did not make people drop their nickels or dimes in the slot and pay for their own telephones, \$30,000; \$2,500 for laundry and dry cleaning; I do not know what that is; \$6,000 for bleacher seats on the playing field in 1 school only; \$9,000 for teacher travel, and a great lot of musical instruments ranging from a harp at \$1,500, 2 oboes at \$640, a double B-flat euphonium attachment at \$830, a bass clarinet at \$600 each, and then the researcher who is working on that budget ends up by saying that \$500,000 of contemplated spending somewhat along these lines can be eliminated without shorting any child's educational opportunities generally provided for.

Mrs. CAMPBELL. Mr. Gwinn, I am so glad that you read that because I want you to listen very carefully to this:

First, I am going to state the statement I made before and I want you to listen to this very carefully. The Federal Government belongs to the people of this country. The United States is made up of 48 States. I believe that Federal moneys should be administered through the States. I also believe that the local groups are the ones who are to make the determinations as to how those moneys should be spent and I want to tell you, sir, that you are now reading from the superintendent's worksheets which were taken out of the Arlington County School Board—I think I know how, but I will not so state—and were gone over by persons who are trying to keep the local group from being willing to come through with the tax moneys that are necessary to run their program. There is no harp in the budget which the superintendent has presented to the school board.

Mr. GWINN. Was it in there at one time?

Mrs. CAMPBELL. There was never a harp in it. Do you gentlemen want me to tell you how budgets are made? I think most of you do know. I will be glad to do it. I think perhaps it should be done since this has occurred. It is a very unfortunate and a very dishonest

approach and I am so happy I came this morning so that I can tell you so.

Mr. GWINN. All I wanted to bring out with you—

Mrs. CAMPBELL. Let me finish, will you, please?

Mr. GWINN. I do not want to take the time of this committee.

Mr. METCALF. Mr. Chairman, I want to hear this refutation.

Mrs. CAMPBELL. Mr. Metcalf, thank you. I would like to tell you because this is the kind of thing that is going on all over this country, the kind of thing that is happening here. I can speak to it because I know.

For 8 years I worked on a budget, the Arlington school budget. Every supervisory person in the school is told that he can hand in his budget requests and he makes out his budget requests. Now, those are things he would like to have and he knows he will not get them. Did you ever know anybody to make a budget he thought he would get?

Mr. GWINN. That is part of the issue in this committee now. We have a budget made up here by the United States Office of Education.

Mrs. CAMPBELL. All right. Then after each of these persons has made out his requests, the person in charge of that particular program takes those requests, goes over them, cuts them out, and makes her or his request. Then that is handed in to the superintendent who goes through it, looks at the total and say, "You can have so much." I will have to quote this in round figures because I do not have any exact figures with me this morning. The total budget requests in music for instruments which are bought by the school department, rented to individual pupils, was \$27,000.85. When that came into the supervisor of music, she cut the total request to fifteen-thousand-dollars-and-eighty-five-cents-some odd. I remember the 85 cents. When that came to the superintendent's desk he cut the total to \$6,000 and said that "For all of the schools you can spend \$6,000 for instruments this year." That budget has not yet been adopted by the school board. The school board still can cut if they so wish and the hearing that is taking place tonight is in preparation for the school board's meeting tomorrow night.

Now, the figures that you are quoting are not budget figures and the people in Arlington County, a few people who belong to a special group who are trying to get control of the schools because they do not wish to spend the Arlington County tax money on this, deliberately took these figures which they know are not correct and have given them to a man who is supposed to have a reputation, and let him stand up and say that these are budget figures.

Now, I tell you gentlemen I think it is one of the meanest—if you want to express it as maybe a lady can express it—the meanest things that I have ever seen done to try to defeat a school system. Furthermore, I want to say that in Arlington County we have as many people who are not interested in paying taxes as you will find anywhere else in this country, and do you not think for 1 minute that they did not scrutinize every bit of that budget.

I would like to say one more thing in regard to it. We have in Arlington County a very large number of Federal employees, as you know. The moneys that are paid to Arlington County are paid on the basis of the children of Federal employees. We also have a very large number of military who are exempt from taxes. We get about \$1 million a year which is 10 percent of our operating budget to take

care of these children. It amounts to \$98 a year for those not living on Federal Government properties and \$197 per year for those living on Federal Government properties. Our budget is about \$10 million and it costs us to educate our children something over \$400 per child per year. Now, Arlington County has one of the best school systems but it is not because of the Federal Government. It is because the local people have been willing to put their schools first in this tax payment and so I can come and speak to you people today representing a people who have not taken advantage of the Federal Government but who have really come through.

Now, I would like to say this: That we have spent since 1948, \$30,-975,709.50 on buildings. That is to take care of the population that has tripled since 1948. Of that amount, the Federal Government gave us for school construction \$4,865,654.54. We are very grateful for the return of our tax money in that kind of manner and I plead that somehow we work out a formula whereby we do not short change these children who happen to be born in this country. In Russia they consider that their children are their greatest asset. In this country we haggle and let them grow up uneducated.

Mr. METCALF. Thank you, Mr. Gwinn.

Mr. GWINN. I assume that we are going to take care of those children in Arlington County. I am sure if their mothers are like you they will be taken care of.

Mrs. CAMPBELL. They are like me. That is the reason we have done it.

Mr. GWINN. Should not the Federal Government, if it is going to take your money by force from Arlington and bring it here to Washington and hand it back to you, take responsibility?

Mrs. CAMPBELL. No, sir. I am for local control and when we lose local control of public-school expenditures we have lost the public schools. I am absolutely for local control and if you know some of those people out in Arlington—and I will be glad to bring them to you—you will find that they will watch the tax dollars. Fortunately, I think you men are honest.

I think it is dishonest to take the kind of figures that these people in Arlington took. They did not take them to their own Congressman, Mr. Broyhill, because they knew that he knew better. His children are in the schools. But they took them to another man who was small enough to stand up and make this statement. I hope that he was honest but I feel sorry for a man who will deliberately quote figures without knowing why he is quoting them.

Mr. GWINN. Suppose you had put in a harp at \$1,500.

Mrs. CAMPBELL. Excuse me, sir.

Mr. GWINN. Suppose you had done so and the taxpayers of New York complained to me that we are spending their money to do these things.

Mrs. CAMPBELL. It is our money. Do you know what the New York City public-school system provides for their children?

Mr. GWINN. I know.

Mrs. CAMPBELL. They provide more. This is an interesting thing. I will just take a minute. I was the 1 woman with 10 men at that White House conference. We talked to one another every day. That is all we could do. When we had answered those silly little questions we had plenty of time to talk.

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Mr. GWINN. I was there too, and I appreciate what you are saying.

Mrs. CAMPBELL. All right. One of the members of the New York State Board of Education was at our table. He told me what they provide for the children in New York City and I want to tell you that I almost wept when I heard the man from South Dakota, the mailman from South Dakota, tell me what they had for their children and the man from South Carolina tell me what they had for their children and I knew what Virginia had; that there are 100 high schools in Virginia today that are not accredited, 100, gentlemen.

Mr. FRELINGHUYSEN. Would the gentleman yield briefly for a single observation?

Mr. GWINN. I think I would like to quit. I think if the chairman will let me, I will withdraw. I would like to ask one question. Then I will yield.

Do you know anything about the Scrivner bill which provides for keeping at home 1 percent of our Federal taxes for education purposes.

Mrs. CAMPBELL. I know that there is such a bill and I know that that is what it provides for.

Mr. GWINN. Would you favor that program?

Mrs. CAMPBELL. When you ask me questions I am answering personally and not for the county council.

Mr. GWINN. I understand.

Mrs. CAMPBELL. I have not studied that in detail. I think that there would be some merit in that because it would make it absolutely impossible for anybody to consider that there was any Federal control.

Mr. GWINN. And it would relieve us of the responsibility.

Mrs. CAMPBELL. I am not worrying about relieving you all of responsibility. I think the bill has some merit. I have not studied it in detail. What I want is something. I am tired of this business of nothing.

Mr. GWINN. I yield on that note.

Mr. BAILEY. The Chair would like to say that if we fail to write a comprehensive bill here that will receive the approval of the Congress I would be perfectly willing to join the gentleman from New York and vote for the Scrivner bill, but I am not convinced right now that that is the proper approach.

Mr. GWINN. I am sorry you put that little "but" in there.

Mrs. CAMPBELL. As I say, I have not studied it. The thing that I want to maintain is local control.

Mr. FRELINGHUYSEN. Mr. Chairman.

Mr. BAILEY. Mr. Frelinghuysen?

Mr. FRELINGHUYSEN. I was going to follow up Mr. Gwinn's questions, Mr. Chairman, if that is all right.

Mrs. Campbell, you pointed out that the Federal Government had provided some assistance in supporting the Arlington County school system.

Mrs. CAMPBELL. Yes, sir.

Mr. FRELINGHUYSEN. In view of this discussion about harps and oboes and so on, I wonder if we should not make it plain that the Federal assistance under the construction program and operation and maintenance program cannot be directly made available for those purposes anyway. Did you not in effect in your testimony suggest that the county school system, the taxpayers were in effect already

subsidizing the Federal children to a considerable degree by something like \$90 provided for schoolchildren with parents owning their own homes? Since the cost per pupil is over \$400, you say the Federal Government is nowhere near holding its own so far as the cost per child to the schools of that Federal-connected child?

Mrs. CAMPBELL. That is correct; yes, sir.

Mr. FRELINGHUYSEN. I think we can get it more in perspective when we realize that there is not any liberal amount of money no matter how you define the Federal share. Therefore, if you were willing to provide some of these extras in the form of musical instruments or whatever, you are doing it on your own money and very definitely not doing it on the Federal dollar.

Mrs. CAMPBELL. Exactly.

Mr. GWINN. Would the gentleman yield for a brief comment there? It does not make a particle of difference whether they take that out of the Federal deposit of a million dollars or out of the local deposit. The point is the Federal money is relieving Arlington to the extent of a million dollars and Arlington can then buy harps and oboes out of their own funds if they want to.

Mrs. CAMPBELL. If they wish to buy. As I say, I do not think you need to worry about the taxpayers of Arlington County. They are all pretty pushed there. If you have been out there you know we need things other than schools and our great problem now is how we are going to get the other things and keep the schools we have. You do not need to worry about the taxpayer of Arlington. I did want to say this: If there is one thing that I feel resentful of—and you will please pardon me, because I mean to be polite—it is the fact that people who do not know a school program today try to say what should go into it.

Now, the only way to make these statements about Arlington and what is in the program is to take some of the other good school systems in the country and compare what they have and then you have a basis upon which to speak. There was a time when my grandmother, who lived to be 94 and died 2 years ago, cooked all of her life on an old-fashioned range and when we bought her an electric stove she covered it all with newspapers and would not use it.

I am not going to cook on a range and if my husband told me I had to he would have to get another wife, because there are other things to cook on today. I think that when you talk about education you have to talk in terms of the day in which we are living, and school buildings are the same way. There was a time when we heated school buildings with a little round stove and there was a time when we heated our houses that way. I think we should not miss the point. People who haggle over these things are not coming to the point which I keep saying, Mr. Gwinn, is the children.

Mr. FRELINGHUYSEN. I think, Mrs. Campbell, I can sympathize with your problems. In our own State of New Jersey we also have a high cost of educating children. It seems to me that what your testimony indicates is that you could present a good case for an increase in the Federal contribution so far as the federally impacted children are concerned.

Mrs. CAMPBELL. We certainly could.

Mr. FRELINGHUYSEN. Certainly you are making a good case that none of the Federal money is being misspent and if you are providing some of these extras you are certainly not considering them frills

which you are able to buy because the Federal contribution is so great that you are getting a free ride so to speak. As I understand, just to repeat, you are actually subsidizing the federally affected children in spite of what looks like a substantial contribution?

Mrs. CAMPBELL. We are. I would like to say one thing about the musical instruments thing. That seems to have stuck out on this. Both of my children are in the orchestra.

Fortunately, one of them play the violin and we were able to buy the violin but the school owns violins and rents those and that money goes back into the operating fund. All instruments are bought and rented. It is a rental system, so that the initial cost of the instrument if you buy a good instrument is eventually returned. That is the same system that is used all over the country. If you will examine the system you will find that out.

I did not mean to take so much time.

Mr. METCALF. Mr. Chairman, may I make a comment? There has been testimony before this committee, Mrs. Campbell, that caused some of us to have some misgivings over the ability of the local people in Arlington County to administer the financial and fiscal situation of your schools. That was the reason I brought up the Dolly Madison School. That was the reason that the gentleman from New York brought up the other matter. I want to say that this morning, as an officer and local official, you, as far as the gentleman from Montana is concerned, have eliminated and any doubt that there might have been in my mind as to the ability of the people of Arlington County and the local school districts to wisely and economically use Federal aid if it were given to them.

Mrs. CAMPBELL. Thank you, sir.

Mr. GWINN. I do not know why they did not elect you on the school board or press you to return.

Mrs. CAMPBELL. I would not run. I served two terms.

Mr. GWINN. I think it is wonderful that you take this interest.

Mrs. CAMPBELL. They are my children. I have grandchildren now. I want a school system for my grandchildren. I have one in South Carolina and one in Arizona.

Mr. BAILEY. I thank you very much.

Mrs. CAMPBELL. You are very welcome. Thank you for letting me come.

Mr. BAILEY. Tomorrow the committee will hear the New Jersey State Chamber of Commerce, the Illinois State Chamber of Commerce, the Wisconsin State Chamber of Commerce, and the West Virginia State Chamber of Commerce.

I want to impress on the members of the subcommittee the necessity for having their questions well organized so that we can speed up these hearings. We are going to hear four witnesses tomorrow. We must hear them tomorrow because we have a solid schedule for the next 3 or 4 days and there will be no opportunity to carry over the testimony of any of tomorrow's witnesses. That will indicate that the members of the subcommittee be on hand promptly at 10 o'clock and be as brief as possible in their questioning.

The committee will stand in recess until 10 o'clock tomorrow.

(Whereupon, at 11:55 a. m., the subcommittee recessed to reconvene at 10 a. m., Thursday, March 7, 1957.)

(See part 3 for continuation of hearings)